UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
- x

UNITED STATES OF AMERICA :

- v. - : SEALED INDICTMENT

BRIAN M. McLAUGHLIN, : 06 Cr.

Defendant. :

- x

The Grand Jury charges:

COUNT ONE
(Racketeering)

At all times relevant to this Indictment, unless otherwise specified:

Local 3 And The J Division

1. Local 3 ("Local 3" or the "Local") of the International Brotherhood of Electrical Workers (the "IBEW") was a local affiliate of the IBEW based in New York City. Local 3 represented over 30,000 members, who were employed, for the most part, in various sectors of the electrical industry. Local 3 was governed by an Executive Board and a group of officers. Under the IBEW Constitution and the Local 3 Bylaws, the Business Manager of Local 3 was the principal officer of the Local and exercised primary authority in running many of the Local's day-to-day operations. Among other powers, the Business Manager was authorized to appoint individuals to help operate the Local, some of whom were designated as Business Representatives.

2. In accordance with its Bylaws, Local 3 was divided into various Units, which were often referred to as “divisions.” The different divisions within Local 3 handled different types of work within the Local’s jurisdiction. The Local 3 Bylaws also provided for the designation of Unit officers, who were responsible for conducting the affairs of the divisions. Local 3 Business Representatives also helped to conduct and oversee the activities of particular Local 3 divisions.

3. Union members within the J Division (the “J Division” or the “Division”) of Local 3 performed work relating to the installation and maintenance of street lights and traffic signals throughout New York City. The affairs of the J Division were overseen by a Local 3 Business Representative assigned to the Division, and by a group of officers who were appointed by the Business Representative to their official positions within the Unit. Representatives of the J Division negotiated and administered collective bargaining agreements with employers; such agreements, which were executed by the Business Representative for the J Division and, in recent years, by the Business Manager of Local 3, governed the terms and conditions of employment for Local 3 members assigned to J Division jobs.

4. Local 3 was a “labor organization,” as that term is defined in Title 29, United States Code, Sections 142(3), 152(5),

and 402(i) and (j), and as that term is defined in New York State Labor Law Section 721:2.

5. The companies that employed J Division members ("Street Lighting Contractors") entered into contracts with the City of New York (the "City") and other public authorities to perform work involving, among other things, the maintenance and installation of street lights and traffic signals on streets and roadways, including interstate highways, as well as in other public spaces, throughout the City. The New York City Department of Transportation administered such contracts for the City.

The New York City Central Labor Council

6. The New York City Central Labor Council (the "CLC" or the "Council") was a chartered affiliate of the American Federation of Labor and Congress of Industrial Organizations (the "AFL-CIO") that provided support to numerous constituent labor organizations and union members. The CLC functioned as the AFL-CIO's local office in New York City and received funds from its affiliated unions and associations.

7. An Executive Board comprised of elected officers and board members was responsible for overseeing the Council's affairs. Other elected officers conducted and supervised the CLC's day-to-day operations. The President of the CLC served as its highest-ranking officer and had primary executive authority over its affairs. The Secretary of the CLC oversaw many of the

organization's administrative functions. Since at least in or about 1995, the CLC's President and Secretary received compensation as full-time employees of the Council.

The New York State Assembly

8. The New York State Assembly (the "State Assembly") was one of two houses of the New York State Legislature. Since in or around 1938, members of the State Assembly were elected in even-numbered years for two-year terms. The State Assembly convened for legislative sessions in Albany, New York.

Brian M. McLaughlin

9. BRIAN M. McLAUGHLIN, the defendant, held several official positions in several different entities.

a. From in or about 1990 until in or about July of 2006, McLAUGHLIN served as the Local 3 Business Representative for the J Division. In that capacity, McLAUGHLIN functioned as the highest ranking official of the J Division. Among other responsibilities, he oversaw the internal operations of the Division; he represented the Division and its members in dealings with employers; he helped to negotiate and execute collective bargaining agreements; and he exercised substantial authority over the assignment of J Division members to employers, including the selection of certain union members to hold supervisory positions.

b. Since in or about 1995, McLAUGHLIN served as the President of the CLC. In that capacity, he was the CLC's highest ranking executive officer and exercised primary responsibility for overseeing many of the CLC's day-to-day operations.

c. Since in or about 1993, McLAUGHLIN served as a New York State Assemblyman representing the 25th Assembly District, which included or extended into various sections of Queens, New York. In order to carry out his responsibilities as an Assemblyman, McLAUGHLIN maintained an office located in Albany, New York (the "Albany Office"), as well as an office located in his Assembly District in Queens (the "District Office" or "D.O.").

d. Since in or about 2002, McLAUGHLIN was a founding member and District Leader of the William Jefferson Clinton Democratic Club of Queens, Inc. ("the Clinton Club"). The Clinton Club was a political organization registered in New York State as a not-for-profit corporation. It raised funds and held events to support candidates for public office, and to promote the objectives of the Democratic Party. Prior to in or about 2002, when the Clinton Club was renamed, it was called the New Century Democratic Association. The Clinton Club was operated out of McLAUGHLIN's legislative District Office, located in Queens, and members of McLAUGHLIN's State Assembly office staff

performed administrative and clerical work to assist McLAUGHLIN and others in conducting Clinton Club activities.

McLaughlin's Duties As A Union Official

10. In his capacity as a Local 3 Business Representative who was responsible for overseeing the affairs of the J Division, McLAUGHLIN owed a duty to provide honest services to the members of Local 3 and the J Division in the performance of his duties as a union official. That duty encompassed, but was not limited to, various statutory obligations and requirements, including the following:

a. Title 29, United States Code, Section 501(a) provided that officers, agents, and other representatives of a labor organization occupied "positions of trust in relation to such organization and its members as a group." Accordingly, pursuant to Section 501(a), McLAUGHLIN owed fiduciary duties to Local 3 and its members, including: (1) the duty to hold union money and property solely for the benefit of the Local and its members; (2) the duty to refrain from dealing with the Local as an adverse party or on behalf of an adverse party in any matter connected to his duties; (3) the duty to refrain from holding or acquiring any pecuniary or personal interest which conflicted with the interests of Local 3 or its membership; and (4) the duty to account to the Local and its members for any profit he received in whatever capacity in connection with transactions

conducted by him or under his direction on behalf of the labor organization.

b. Title 29, United States Code, Section 432(a) provided that every officer of a labor organization, and every employee of such an organization who did not perform exclusively clerical or custodial services, was required to file a signed and publicly available report with the United States Secretary of Labor listing and describing, with certain limited exceptions, among other things: (1) any interest that he or a member of his family held, directly or indirectly, in an entity that employed individuals whom the labor organization represented or sought to represent; (2) any money or other thing of value that he or a member of his immediate family received, directly or indirectly, from such an employer; (3) any direct or indirect transaction or arrangement between him or a member of his immediate family and such an employer; and (4) any interest that he or a member of his immediate family directly or indirectly held in, as well as any income or any other benefit with monetary value which he or a member of his immediate family derived directly or indirectly from, any business a substantial part of which consisted of buying from, selling or leasing to, or otherwise dealing with, such an employer.

c. New York State Labor Law Section 722 set forth fiduciary obligations for officers and agents of labor

organizations and provided that such individuals could not, directly or indirectly: (1) have or acquire any pecuniary or personal interest which would conflict with his fiduciary obligation to such organization; (2) engage in any business or financial transaction which conflicted with his fiduciary obligations; or (3) act in any way which subordinated the interests of such labor organization to his own personal or pecuniary interests.

e. New York State Labor Law Section 723, titled "Specific prohibited financial interests and transactions," provided that without limiting the fiduciary obligations set forth in Section 722, an officer or agent of a labor organization would commit a violation of his fiduciary obligations if he were:

> to have, directly or indirectly, any financial interest in any business or transaction of either an employer whose employees his labor organization represented or sought to represent for purposes of collective bargaining, or an employer who was in the same industry as such an employer;
>
> to have, directly or indirectly, any financial interest in the business or transaction of any person who sold to, bought from, or otherwise dealt with an employer whose employees his labor organization represented or sought to represent for purposes of collective bargaining, or an employer who was in the same industry as such an employer; or
>
> to receive, directly or indirectly, any payments, loans, or gifts from an employer whose employees his labor organization represented or sought to represent for purposes of collective bargaining, or from an employer who was in the

> same industry as such an employer, except for anything received as reasonable compensation for services rendered as an employee of such an employer or certain payments made in lieu of wages for time spent in the administration of a collective bargaining agreement.

Section 723 further provided that in determining whether an officer or agent of a labor organization had engaged in conduct that constituted a violation of the fiduciary obligations set forth in Sections 722 and 723, it was not relevant whether or not such conduct (1) caused damage to the organization or any of its members, or (2) was ratified or acquiesced in by the organization.

J Division Officers And Foremen

11. During McLAUGHLIN's tenure as the Business Representative for the J Division, he selected other individuals to serve as officers of the Division. Although these individuals performed official duties for the J Division, as provided for under the Local 3 Bylaws, they were not compensated by the Local or the Division. Rather, with McLAUGHLIN's approval, they held supervisory positions, as either foremen or general foremen, for Street Lighting Contractors. McLAUGHLIN also placed these individuals in various positions at other entities that he controlled, or in which he held office. J Division officers and foremen who served under McLAUGHLIN, and whom McLAUGHLIN appointed to other positions in other entities, included the following individuals:

a. Officer 1. Since at least as early as 1995, an individual referred to in this Indictment as “Officer 1" served as the Chairman of the J Division. In that capacity, Officer 1 functioned as the second-highest ranking officer of the Division, and he served as McLAUGHLIN’s principal assistant. From in or about 2000 until in or about May of 2006, Officer 1 was also the Treasurer of the Committee To Elect Brian McLaughlin, which, as alleged below, was an entity that received contributions and made expenditures to support McLAUGHLIN’s campaigns to be reelected to the State Assembly. From in or about March of 2005 until in or about February of 2006, Officer 1 also received a salary from the New York State Assembly for purportedly serving as the “Special Assistant to the Assemblyman” on McLAUGHLIN’s legislative staff.

b. Officer 2. From at least as early as 1995 until in or about January of 2006, when he retired from active employment and union membership, an individual referred to in this Indictment as “Officer 2" served as the Treasurer and then as the Secretary of the J Division. From in or about 1998 until in or about November of 2003, Officer 2 also received payments from the Committee To Elect Brian McLaughlin for purportedly serving as a “consultant” to McLAUGHLIN or his political campaigns. Moreover, from in or about October of 2003 until in or about January of 2004, Officer 2 received a salary from the

New York State Assembly for purportedly serving as a "Community Liaison" for McLAUGHLIN's legislative District Office.

c. Officer 3. From at least as early as 1995 until the present, an individual referred to in this Indictment as Officer 3 served as the Vice Chairman and then as the Treasurer of the J Division. Moreover, at all times relevant to this Indictment, Officer 3 served as the President of the Electchester Athletic Association (the "EAA"). The EAA is an organization that was formed to finance and administer youth sports activities, including, primarily, a Little League baseball program, for children residing in the Electchester housing development, which is located in Queens. Moreover, since in or about 2002, at McLAUGHLIN's direction, Officer 3 served as the Treasurer of the Clinton Club.

d. Foreman 1. An individual referred to in this Indictment as Foreman 1 did not hold an official position for the J Division but worked as a foreman for Street Lighting Contractors. Foreman 1 was a relative of McLAUGHLIN's. He was also a licensed chiropractor who maintained an active practice based primarily on Long Island. As alleged below, through entities that Foreman 1 formed to further McLAUGHLIN's purposes, Foreman 1 received payments from the CLC and the Committee To Elect Brian McLaughlin, purportedly for performing consulting or management services. In addition, McLAUGHLIN arranged for

Foreman 1 to hold additional paid positions as a part-time member of McLAUGHLIN's legislative staff, and as the director of a CLC commission. Finally, Foreman 1 was a part-owner of a business based in Manhattan that performed work relating to the processing of film used in the television and motion picture industries.

The Racketeering Enterprise

12. McLAUGHLIN, together with Officers 1, 2, and 3 and Foreman 1, along with other individuals known and unknown to the grand jury, constituted an enterprise (the "Enterprise") as defined by Title 18, United States Code, Section 1961(4), that is, a group of individuals associated in fact. The Enterprise constituted an ongoing organization, members of which functioned as a continuing unit for a common purpose of achieving the objectives of the enterprise. The Enterprise was engaged in and its activities affected interstate and foreign commerce.

13. The objectives of individuals associated with the Enterprise included the following:

a. using McLAUGHLIN's official positions, and the power and influence that McLAUGHLIN exercised by virtue of holding those positions, to enrich McLAUGHLIN and, to a lesser extent, others associated with the Enterprise, through criminal activity involving mail fraud, wire fraud, embezzlement, money laundering, the receipt of unlawful payments and other things of value from employers, and labor bribery;

b. preserving and protecting their power, official positions, employment, and the proceeds obtained from the criminal activity described in paragraph 13.a above; and

c. concealing their objectives and criminal activities in order to evade detection and possible prosecution.

Means And Methods Of The Enterprise

14. The means and methods by which McLAUGHLIN and others known and unknown to the grand jury conducted and participated in the conduct of the affairs of the Enterprise and pursued the objectives set forth above included the following:

a. They misappropriated funds from a J Division account that received contributions from union members and contractors, and that was maintained for the benefit of the J Division and its membership.

b. They misappropriated funds from the Electchester Athletic Association by diverting contributions intended to support a Little League baseball program.

c. They misappropriated funds from McLAUGHLIN's political campaign committee.

d. They misappropriated funds from the CLC (1) by causing the CLC to hire a consultant and an employee who did little or no substantial work while funneling income from the CLC back to McLAUGHLIN, and (2) by causing the CLC to pay for McLAUGHLIN's personal expenses.

e. They misappropriated funds from the State of New York (1) by creating fictitious positions on McLAUGHLIN's legislative staff, (2) by providing McLAUGHLIN with a share of the salary that a purported employee earned for holding one such position, and (3) by submitting false claims for reimbursement of daily expenses.

f. They misappropriated funds from the Clinton Club.

g. They received hundreds of thousands of dollars in unlawful payments and other things of value from Street Lighting Contractors and other companies in the street lighting and traffic signal industry.

h. They secretly maintained an interest in, and received hundreds of thousands of dollars from, a company that did business with employers of Local 3 members, and they used their union positions to promote that company's, and thus their own, financial interests.

i. They required J Division members to make monthly payments to McLAUGHLIN, through intermediaries, from proceeds that those workers obtained selling scrap metal and other salvaged materials recovered during the course of their jobs. Union members complied with McLAUGHLIN's directives to make these payments because they feared that if they failed or refused to do so, McLAUGHLIN would use his authority within the union to adversely affect their livelihoods.

j. They moved funds between entities in which McLAUGHLIN held official positions, or over which McLAUGHLIN exercised control, to further and facilitate fraud and embezzlement schemes victimizing those entities.

k. They engaged in money laundering and other measures to evade detection by concealing their actions and purposes and by disguising the sources of proceeds obtained from their illegal activities.

The Racketeering Violation

15. From in or about 1995 through in or about 2006, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, and others known and unknown, being persons employed by and associated with the Enterprise described above, which was engaged in, and the activities of which affected, interstate and foreign commerce, unlawfully, intentionally, and knowingly conducted and participated, directly and indirectly, in the conduct of the affairs of that enterprise through a pattern of racketeering activity, that is, through the commission of the racketeering acts set forth below.

The Pattern Of Racketeering Activity

16. The pattern of racketeering activity as defined in Title 18, United States Code, Sections 1961(1) and 1961(5), consisted of the following acts:

RACKETEERING ACT ONE
Mail Fraud And Embezzlement
(The Street Lighting Association Account)

17. The J Division raised and expended funds for the benefit of its members. Such funds were deposited into a bank account held in the name of the "Street Lighting Association" (the "SLA"), which was controlled exclusively by J Division officers. McLAUGHLIN and others regularly referred to the SLA account as the "J Division account."

18. Funds from the SLA account were used (1) to finance social activities for J Division members, such as an annual dinner-dance and a summer picnic, (2) to provide cash prizes to union members who attended regular J Division meetings, and (3) for various other purposes to serve the interests of the J Division and its members.

19. The J Division obtained contributions to the SLA account from two principal sources:

a. Local 3 members assigned to the J Division made regular contributions to the Division in amounts specified by J Division officers. Some union members made such payments directly to the SLA using personal funds; many others authorized employers to deduct contributions to the SLA from their paychecks. Companies that deducted such contributions as part of a payroll process aggregated and then forwarded contributions directly to the J Division, by mail, on behalf of all

participating employees. Contributions from J Division members accounted for most of the funds deposited into the SLA account.

b. In addition, the J Division solicited and obtained contributions to the SLA from Street Lighting Contractors, and from other entities connected to McLAUGHLIN, such as the CLC and McLAUGHLIN's campaign fund. Through letters signed by J Division officers, such contributors were asked to make donations to the SLA in order to support the J Division and its membership. For example, on a yearly basis, Street Lighting Contractors were sent letters asking for contributions to support the Division's annual dinner-dance. Other letters asked for contributions for particular causes or purposes. For example, in at least one such instance, letters to Street Lighting Contractors sought contributions to support the purchase of gift certificates, which would be awarded to J Division members through a raffle in order "to offset the cost in the purchase of a turkey and trimmings for the family" during the holiday season.

20. Since at least as early as 1997, bank records listed the address of the CLC's office as the address for the SLA account; consequently, bank statements, copies of cancelled checks, and other banking documents relating to the SLA account were mailed to the CLC, where McLAUGHLIN maintained an office. Since in or about 1997, Officer 3 – who, as stated above, was the Treasurer of the J Division – was the sole registered signatory

for the SLA account, and was therefore authorized to conduct transactions using that account. Prior to in or about 1997, Officer 1 and Officer 2 were the authorized signatories for the SLA account.

21. Although McLAUGHLIN was not an authorized signatory for the SLA account, he often maintained possession of the account checkbook, which he sometimes kept in his office at the CLC. As a result, although Officer 3 was the only signatory for the SLA account, he regularly made written requests to McLAUGHLIN asking that checks be made available for particular purposes. In addition, at McLAUGHLIN's direction, Officer 3 regularly signed SLA checks that were otherwise left blank; Officer 3 then provided such checks to McLAUGHLIN, so that McLAUGHLIN could fill in the remaining sections of the checks, indicating the amounts and the recipients as he saw fit. In various instances, McLAUGHLIN also signed Officer 3's name to SLA checks.

22. Since at least as early as 1995, McLAUGHLIN, often with the assistance of others, regularly and secretly misappropriated funds from the SLA for personal purposes, and not for the benefit of the J Division or its members. Specific instances of conduct in which McLAUGHLIN and others engaged in order to further this scheme included the following:

Proceeds From SLA Checks Written To Officer 2

a. Between in or about January of 1995 and in or about September of 2005, Officer 2 received and cashed more than 100 checks, worth hundreds of thousands of dollars, from the SLA account. On some occasions, Officer 2 used proceeds from those checks to pay legitimate J Division expenses. For example, during most years, Officer 2 used cash proceeds from SLA checks to pay catering companies that handled the J Division's annual dinner-dance and its summer picnic, and he occasionally used SLA funds to pay for less significant expenses incurred for the benefit of the Division. In various other instances, however, on instructions from McALUGHLIN, Officer 2 provided proceeds from cashed SLA checks directly to McLAUGHLIN or to Officer 1, who acted as an intermediary for McLAUGHLIN; Officer 2 also, on other occasions, used or delivered funds from the SLA account as McLAUGHLIN directed, for matters unrelated to the J Division. In this manner, over the years, Officer 2 provided McLAUGHLIN with at least $97,000 in cash payments derived from checks written on the SLA account.

SLA Checks Provided To Friend 1

b. Between in or about May of 1997 and in or about October of 2003, McLAUGHLIN provided approximately 16 SLA checks, worth a total amount of approximately $21,900, to an individual with whom he maintained a personal relationship ("Friend 1").

Friend 1 had no legitimate reason to receive J Division funds. McLAUGHLIN, nonetheless, provided Friend 1 with SLA checks because of his relationship with her, in order to provide her with financial assistance. Friend 1 used the proceeds from the SLA checks that McLAUGHLIN gave her for personal purposes.

Specific Transactions That Occurred In 2004 And 2005

c. On or about January 6 and January 7, 2004, McLAUGHLIN caused a CLC check for $1,000 to be deposited into the SLA account, after he discovered that the account was overdrawn.

d. On or about February 6, 2004, McLAUGHLIN made an SLA check out to himself in the amount of $9,750. On the memo line of the check, he made a notation intended to create the impression that it was used to provide a caterer with a cash deposit. In fact, however, McLAUGHLIN deposited the check into a personal bank account. Several days later, McLAUGHLIN learned that news reporters were looking into allegations that he had committed criminal conduct, and he became alarmed. During a conversation that occurred on or about February 11, 2004, in an attempt to conceal the fact that he had recently written an SLA check to himself, McLAUGHLIN suggested that Officer 2 should obtain an invoice for $9,750 from the caterer who had recently handled the J Division dinner-dance.

e. In or about February of 2004, McLAUGHLIN then wrote a personal check for $9,750, made out to a catering

company, from the same personal account into which he had deposited the SLA check for that amount. On the memo line, McLAUGHLIN indicated that the check was for the J Division dance. That check, however, was never provided to the catering company to which it was written. Instead, it was provided to a J Division foreman ("Foreman 2") who knew of a location where a check could be cashed, regardless of to whom it was made payable. Foreman 2 cashed McLAUGHLIN's personal check for $9,750 and returned the proceeds either directly to McLAUGHLIN or to Officer 1, who normally acted as an intermediary for McLAUGHLIN in the course of such transactions.

f. On or about February 11, 2004, McLAUGHLIN directed Officer 2 to cash an SLA check for $1,900, and to provide the proceeds to an individual with whom McLAUGHLIN maintained a personal relationship ("Friend 2"). McLAUGHLIN further directed Officer 2 to make a notation on the check indicating that it was for a legitimate expense, such as the purchase of a television set or a raffle prize, that had been incurred in connection with the J Division dinner-dance. Two days later, on or about February 13, 2004, Officer 2 cashed the SLA check for $1,900. When he was on his way to deliver the proceeds, however, as McLAUGHLIN had directed, McLAUGHLIN called Officer 2 and told him to bring the money directly to McLAUGHLIN, because he planned to meet Friend 3 a short time later. Officer 2 complied with

McLAUGHLIN's instructions. Friend 3 received this money and used it for personal purposes.

g. On or about February 26, 2004, Officer 1, Officer 2, and Officer 3 had met privately at the building where Local 3 maintained its headquarters. During their conversation, because of McLAUGHLIN's continuing concerns that his misconduct might be detected, Officer 1 instructed Officer 2 and Officer 3 to destroy the checkbook for the SLA account by immersing it in water, so that they could later claim that the checkbook was among materials damaged when the basement of McLAUGHLIN's District Office was flooded. Officer 1 further instructed Officer 2 and Officer 3 to photograph the destroyed checkbook, using a camera that would not record the date.

h. On or about June 3, 2004, McLAUGHLIN met with Officer 2. During their conversation, as alleged below, McLAUGHLIN gave Officer 2 instructions to obtain additional contributions to the Electchester Athletic Association, so that McLAUGHLIN could use those funds for his personal purposes. Then – after telling Officer 2 "no phone conversations," "nothing on the fucking phone ever again" – McLAUGHLIN stated that when money came in for the J Division summer picnic, "I gotta do a good fucking chunk of that. That's what I fucking need."

i. On or about June 24, 2004, McLAUGHLIN told Officer 2 that when contributions arrived for the J Division picnic, he

wanted Officer 2 to use those funds to purchase six money orders, which should be made out to a property management company (the "Albany Property Company") to which McLAUGHLIN made rental payments for an apartment he maintained in the Albany area. Those payments, McLAUGHLIN explained, would take care of the rent that he would owe for the rest of the year. McLAUGHLIN further instructed Officer 2 to inform Officer 3 to provide Officer 2 with the funds that would be necessary to handle this transaction.

j. On or about July 12, 2004, McLAUGHLIN met with Officer 2 and informed him that because contributions were coming in for the J Division picnic, funds were available in the SLA account. McLAUGHLIN directed Officer 2 to cash two checks for $6,000, several days apart, and he indicated that the money should be given to one of his relatives (the "Relative"), so that she could pay McLAUGHLIN's credit card bill.

k. On or about July 15, 2004, McLAUGHLIN met with Officer 2 and directed him to cash an SLA check in the amount of $9,000. McLAUGHLIN further stated that Officer 2 should return the cash to McLAUGHLIN, so that he could give it to the Relative. On or about the same date, as instructed, Officer 2 cashed an SLA check in the amount of $9,000. About two days later, Officer 2 met with McLAUGHLIN and provided him with $9,000 in cash. From those funds, McLAUGHLIN provided the Relative with $8,000. The

Relative then deposited that money into her bank account and made an $8,000 payment to McLAUGHLIN's American Express account.

l. Between on or about February 9 and on or about February 12, 2005, on three different dates, Officer 2 cashed an SLA check for $7,000 and provided the proceeds to Officer 1. Because the catering company that was expected to provide services at the J Division dinner-dance in February of 2005 cancelled its commitment shortly before the event, Officer 1, who was an accomplished amateur chef, agreed to handle the catering himself. Of the $21,000 in cash that Officer 1 received from Officer 2, he used approximately $9,000 to reimburse himself for expenses he incurred by catering the J Division dinner-dance. On instructions from McLAUGHLIN, Officer 1 kept the remainder of the money and then used it to pay for construction and renovation work that had been done at McLAUGHLIN's new home.

m. On or about October 18, 2005, Officer 2 met with McLAUGHLIN and the Chief Of Staff of McLAUGHLIN's State Assembly office (the "Chief Of Staff"). During the conversation, McLAUGHLIN described a plan to use $2,000 from the SLA account to compensate J Division members who would make $250 contributions, in the names of their wives, to the political campaigns of two candidates who were running for election to the New York City Council. In or about late October of 2005, the Chief Of Staff had conversations with Officer 2 and Officer 3, during which she

asked them to collect checks from the J Division "contributors" whom McLAUGHLIN had identified, and to reimburse them using funds from the SLA account. Officer 2 and Officer 3 complied with those instructions. As a result of this conduct, the two city council campaigns received checks in the names of, among others, Officer 2's wife, a J Division foreman, and McLAUGHLIN's Chief Of Staff. On or about October 25, 2005, Officer 3 cashed an SLA check for $2,000. He then distributed the proceeds to compensate the individuals who had made the sham campaign contributions.

Additional Expenditures Of J Division Funds

n. Between in or about July of 1995 and in or about July of 1996, McLAUGHLIN caused four SLA checks, in a total amount of more than $4,100, to be issued to a marina and boat service center, and to a home improvement supply store, that were located in the vicinity of Tuckerton, New Jersey, where McLAUGHLIN, at the time, kept a boat.

o. In or about November of 1998, McLAUGHLIN caused an SLA check in the amount of approximately $2,400 to be issued an automobile financing company in order to make a payment for his personal car.

p. In or about September of 2000, McLAUGHLIN caused an SLA check in the amount of $1,000 to be issued to an individual with whom, at the time, he maintained a personal relationship ("Friend 3"). Friend 3 had no legitimate reason to

receive J Division funds. McLAUGHLIN, nonetheless, provided Friend 3 with this SLA check because of his relationship with her.

q. In or about March of 2003, McLAUGHLIN caused an SLA check in the amount of approximately $4,200 to be issued to a country club in Long Island in order to pay his membership dues.

Mail Fraud And Embezzlement

23. The defendant committed the following acts of racketeering, any one of which alone constitutes the commission of Racketeering Act One:

A. Mail Fraud

a. From in or about January of 1995 through in or about December of 2005, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, together with others known and unknown, unlawfully, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud the J Division, its membership, and individuals and entities making contributions to the Street Lighting Association, and to obtain money and property by means of false and fraudulent pretenses, representations and promises, caused mail matter to be delivered by the United States Postal Service according to the direction thereon, for the purpose of executing such scheme and artifice, to wit, the mailing of letters seeking donations to the J Division of Local 3 in the form of checks written to the SLA,

the mailing of such donations from Street Lighting Contractors, the mailing of contributions deducted from the paychecks of J Division members, and the mailing of checks and money orders obtained using funds from the SLA account, in violation of Title 18, United States Code, Sections 1341 and 2.

B. Embezzlement Of Union Funds

b. From in or about January of 1995 through in or about December of 2005, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, together with others known and unknown, while being employed, directly and indirectly, by Local 3, which was a labor organization engaged in an industry affecting commerce, McLAUGHLIN did embezzle, steal, and unlawfully and willfully abstract and convert to his own use, and the use of others, the moneys, funds, property, and assets of such organization, to wit, funds held in the Street Lighting Association account for the benefit of the J Division and its members, in violation of Title 29, United States Code, Section 501(c) and Title 18, United States Code, Section 2.

RACKETEERING ACT TWO
Mail Fraud
(The Electchester Athletic Association)

24. In or about the late 1940s, officials of Local 3, along with leaders of a labor-management association called the Joint Industry Board of the Electrical Industry, commenced an initiative to finance and build a housing development. Their

purpose was to provide members of Local 3 and other New York City residents with an affordable place to live, in a community that would support the needs of workers and their families. Funding for the project was obtained from various sources, including Local 3's pension fund and union members who planned to reside in the development. Construction of the project began in or about 1950, and the development was named Electchester. Electchester ultimately contained more than thirty large apartment buildings in the Pomonok section of Queens. Many members of Local 3 lived in the Electchester houses over the years.

25. The Electchester Athletic Association, Inc. (the “EAA”) was formed as a not-for-profit corporation in or about 1956, and it has continued to operate since that time. The EAA’s purpose was to finance and operate youth sports programs for children who lived in the Electchester area. In recent years, the EAA focused primarily on running a Little League baseball program.

26. Since at least as early as 1988, Officer 3 served as the President of the EAA. At various times over the past twenty years, Officer 1 and Officer 2 also held official positions for the EAA.

27. The EAA obtained money to support its programs in several ways, including the following:

a. Families of children who took part in EAA sports programs paid fees in order to participate, and the EAA held events to raise funds in the Electchester community.

b. Members of the State Assembly regularly directed the allocation of State funds to certain groups or projects. Typically, the Office of the Speaker of the Assembly provided Assembly members with information regarding the amount of funds that were available for such disbursements. Members then made recommendations regarding the manner in which available funds should be allocated. Such recommendations were directed to the Ways and Means Committee of the State Assembly, which then reviewed the Members' proposals. Expenditures made as a result of such recommendations were often referred to as "member items." The funding for member items, after being approved through the necessary legislative channels, was often delivered in the form of grants issued by state agencies. In this manner, McLAUGHLIN used his position as a State Assemblyman to direct the allocation of state funds to the EAA. As a result, the EAA obtained grants from New York State agencies that provided assistance to children and families.

c. On an annual basis, at McLAUGHLIN's direction, Officer 2 and Officer 3 prepared and mailed letters to various individuals and entities in order to solicit contributions to help finance the EAA's Little League program. Sponsorship forms

that were enclosed with such letters instructed that checks should be made out to the EAA and sent to McLAUGHLIN's attention at the address where the J Division maintained its office. The sponsorship forms thanked the contributor and concluded with the message: "A CHILD IN SPORTS STAYS OUT OF THE COURTS!" Recipients of such letters included: (1) Street Lighting Contractors and other businesses in the electrical industry; (2) entities affiliated with Local 3; (3) McLAUGHLIN's campaign committee; (4) the CLC; (5) the Clinton Club; (6) various clubs and other associations affiliated with labor unions, community groups, or political organizations; (7) businesses that provided goods or services to entities in which McLAUGHLIN held official positions; (8) individuals who held public office; and (9) housing companies that owned and operated the residential buildings within the Electchester development.

28. Between at least in or about 1995 and the present, the EAA maintained two accounts at one bank (collectively, the "EAA Bank-1 Accounts"), and it maintained a separate account at a different bank (the "EAA Bank-2 Account"). Officer 1 and Officer 3 were authorized to conduct transactions using the EAA Bank-1 Accounts; Officer 1, Officer 2, and Officer 3 were authorized to conduct transactions using the EAA Bank-2 Account until in or about 2005, when Officer 1's name was removed as an authorized signatory for that account.

29. Fees received from the families of children who participated in EAA sports programs, proceeds from fund raising events, and funds received from New York State agencies were deposited into the EAA Bank-1 Accounts. At McLAUGHLIN's direction, however, Officer 2 and Officer 3 diverted many sponsorship payments, and contributions made in response to solicitation letters, to be deposited into the EAA Bank-2 Account. With at least one exception – when, as described below, McLAUGHLIN misappropriated $2,000 from the EAA Bank-1 Accounts – Officer 3 used funds from the EAA Bank-1 Accounts to pay for the legitimate activities of the EAA. In contrast, at McLAUGHLIN's direction, Officer 2 withdrew nearly all the funds deposited into the EAA Bank-2 Account, through checks that Officer 2 wrote to himself and cashed, and then provided that money to McLAUGHLIN or used it as McLAUGHLIN instructed. As a result, funds that were diverted into the EAA Bank-2 Account were not used for the benefit of either the EAA or the children who participated in EAA sports programs.

30. In this manner, since in or about 1997, McLAUGHLIN, with assistance from others, defrauded the EAA and its contributors of more than $95,000. Of that amount, more than $9,500 consisted of contributions to the EAA from Street Lighting Contractors, which had been diverted into the EAA Bank-2 Account. Other diverted and misappropriated funds were contributed to the

EAA from, among other entities: (1) McLAUGHLIN's Campaign Committee; (2) the CLC; (3) a division of Local 3; (4) Electchester housing companies; (4) various clubs and associations; and (5) the New Century Democratic Association, which, as alleged above, later became the Clinton Club.

31. Specific instances of conduct in which McLAUGHLIN and others engaged to further this scheme included the following:

a. On or about February 7, 2004, McLAUGHLIN instructed Officer 2 to meet with Officer 3, so that they could attend to the mailing of letters seeking contributions to the EAA.

b. On or about April 23, 2004, during a meeting between McLAUGHLIN and Officer 2, McLAUGHLIN stated that they needed to increase the amount of funds in the EAA Bank-2 Account. McLAUGHLIN instructed Officer 2 to intercept the incoming contributions, so that Officer 2 would have them all. McLAUGHLIN further instructed Officer 2 to speak with Officer 3 to find out how many checks Officer 3 had deposited. In carrying out these instructions, McLAUGHLIN cautioned, Officer 2 should not use the telephone, but should instead speak to Officer 3 in person.

c. On or about June 3, 2004, McLAUGHLIN met with Officer 2. During the conversation, McLAUGHLIN indicated that he needed at least $6,000, and that he wanted to pay the rent for his apartment in Albany for the rest of the year. Officer 2

indicated that he had $3,500 in the EAA Bank-2 Account, but that Officer 3 had taken $2,800 for softball and other expenses and was not willing to part with the remaining funds. In response, McLAUGHLIN instructed Officer 2 to tell Officer 3 that "all that fucking money, he's fucking spending on other stuff, that ain't his money . . . that's mine." McLAUGHLIN also instructed Officer 2 to raise additional funds by obtaining contributions from the CLC and Street Lighting Contractors, and by collecting an additional $2,000 from Officer 3. Once they had $7,500 available, McLAUGHLIN stated, they would obtain money orders to pay for some things. In completing these tasks, McLAUGHLIN again instructed, Officer 2 should not speak on the telephone.

d. McLAUGHLIN met with Officer 2 on or about June 7, 2004. During their conversation, McLAUGHLIN again instructed Officer 2 to obtain $2,000 from Officer 3, and to contact various contractors and other entities to raise additional funds for the EAA. McLAUGHLIN also stated that later that day, he would try to provide Officer 2 with a check from the CLC for $750. Continuing, McLAUGHLIN gave Officer 2 instructions regarding the manner in which the available EAA funds should be used. In accordance with those instructions, Officer 2 cashed a check drawn on the EAA Bank-2 Account, and thereby withdrew nearly all of the funds in that account. Using those funds, Officer 2 (1) made a cash deposit into McLAUGHLIN's personal checking account,

(2) purchased three money orders, which Officer 2 later provided to McLAUGHLIN, and (3) delivered the remaining cash to McLAUGHLIN's wife.

e. On or about June 17, 2004, on instructions from McLAUGHLIN, Officer 2 contacted Officer 3 and indicated that McLAUGHLIN wanted $2,000. Officer 3 initially indicated that he would have to pay his expenses first, but Officer 2 explained that McLAUGHLIN was expecting the money that day or the following day. Officer 3 stated that he would write a check to Officer 2, not to himself, because his records relating to the EAA Bank-1 Accounts could be audited by New York State. Later that day, Officer 3 provided Officer 2 with a check for $2,000 written on one of the EAA Bank-1 Accounts.

f. On or about June 24, 2004, McLAUGHLIN met with Officer 2. During the meeting, Officer 2 provided McLAUGHLIN with the $2,000 in cash that Officer 2 had obtained from cashing the check described in the previous paragraph. McLAUGHLIN stated that when Officer 2 obtained a contribution check from the CLC, he should deposit it directly into McLAUGHLIN's checking account. Officer 2 pointed out that this could not be done, because the check would be made out to the EAA. McLAUGHLIN instructed Officer 2 to cash the check first. McLAUGHLIN further stated that he would be at the CLC the following morning, and that he

would arrange for the check to be left there for Officer 2 to pick up.

g. In or about July of 2004, McLAUGHLIN instructed Officer 2 to use the available funds in the EAA Bank-2 Account, along with J Division funds from the SLA account, to purchase money orders in order to pay McLAUGHLIN's rent in Albany. Officer 2 complied with McLAUGHLIN's instructions.

h. On or about March 7, 2005, Officer 2 provided McLAUGHLIN with approximately $6,800 in cash proceeds from the EAA Bank-2 Account.

i. On or about March 28, 2005, Officer 2 provided McLAUGHLIN with approximately $1,200 in cash proceeds from the EAA Bank-2 Account.

j. On or about April 18, 2005, Officer 2 provided McLAUGHLIN with approximately $1,300 in cash proceeds from the EAA Bank-2 Account.

Mail Fraud

32. From at least in or about 1997 through in or about 2006, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, together with others known and unknown, unlawfully, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud the EAA and its contributors, and to obtain money and property by means of false and fraudulent pretenses, representations and promises,

caused mail matter to be delivered by the United States Postal Service according to the direction thereon, for the purpose of executing such scheme and artifice, to wit, the mailing of letters seeking donations to the EAA, as well as the mailing of such donations intended for the benefit of the EAA, in violation of Title 18, United States Code, Sections 1341 and 2.

RACKETEERING ACTS THREE through FIVE
Mail Fraud, Wire Fraud, And Money Laundering
(The Committee To Elect Brian McLaughlin)

33. McLAUGHLIN financed his campaigns for election to public office through one or more campaign funds. Since in or about 1997, a fund called the Committee To Elect Brian McLaughlin (the "Campaign Committee") was a campaign fund registered with the New York State Board of Elections (the "BOE") that received contributions and made expenditures to finance McLAUGHLIN's campaigns to be reelected to the New York State Assembly.

34. Under state law, campaign committees were required to designate a Treasurer and a Depository of campaign funds, using a form that was filed with the BOE. As alleged above, between in or about 2000 and in or about May of 2006, Officer 1 served as the Treasurer of McLAUGHLIN's Campaign Committee. Prior to that time, an individual who worked as a secretary for McLaUGHLIN at the CLC served as the Treasurer for the Campaign Committee.

35. The Campaign Committee maintained a checking account that was used to deposit and expend funds contributed to

McLAUGHLIN's political campaigns. Between in or about 2000 and in or about 2006, as the Campaign Committee's Treasurer, Officer 1 was the individual authorized to sign checks written on this account. Moreover, state law required that Officer 1, as the Treasurer, maintain detailed financial records relating to the Campaign Committee's receipts, disbursements, and other transactions.

36. Under state law, the Campaign Committee was required to file financial disclosure statements with the BOE that contained information regarding, among other things, contributions that the Committee received and expenditures that the Committee made during specified reporting periods. The Campaign Committee was required to submit two periodic financial disclosure reports every year, in January and July. Moreover, during election years, the Campaign Committee was required to file three additional reports for each primary, general, or special election, which were due at specified intervals preceding and following the dates on which such elections were held. In disclosing information regarding its expenditures, the Campaign Committee was required to include, for each disbursement of at least $50, information that included (1) the date and amount of the payment, (2) the identity of the recipient, and (3) the purpose for which the payment was made. As the Treasurer of McLAUGHLIN's Campaign Committee, Officer 1 was responsible for

completing and filing these financial disclosure statements. In doing so, Officer 1, as required under state law, executed verifications indicating, under penalty of legal sanction, that the information contained in the reports was "in all respects, true and complete to the best of the filer's knowledge, information, and belief." In accordance with BOE regulations, Officer 1 submitted the Campaign Committee's financial disclosure statements electronically, using an e-mail account that he maintained with an internet service provider ("ISP"). Because that ISP maintained its servers outside of New York State, electronic signals crossed state lines whenever Officer 1 transmitted e-mail messages. In addition, Officer 1 saved the Campaign Committee's financial disclosure statements on computer diskettes, which he then sent by mail to the BOE. Since in or about 1999, the BOE has made the financial disclosure statements filed by political campaign committees available on the internet, so that the information contained in those reports would be available to the public.

37. McLAUGHLIN solicited campaign contributions through, among other means, regular mailings sent to numerous contributors and potential contributors located throughout the New York City area and in other locations. Such mailings requested donations to support McLAUGHLIN's campaigns for the State Assembly, and they contained information regarding his accomplishments and

objectives while in office. The mailings did not indicate or suggest in any way that McLAUGHLIN used funds from his Campaign Committee to pay for personal expenses. Substantial contributors to the Campaign Committee included Street Lighting Contractors, individuals and entities affiliated with such contractors, other companies in the electrical industry, and entities that did business with one or more organizations in which McLAUGHLIN held official positions.

38. New York State election law provided that campaign contributions received by a candidate or a political committee could not be converted by any person to a personal use that was unrelated to a political campaign or the holding of public office or party position.

39. As alleged more specifically below, in numerous instances and on a regular basis, McLAUGHLIN misappropriated funds from his Campaign Committee, used those funds for personal purposes, and, with assistance from Officer 1 and others, caused false and misleading financial disclosure statements to be filed with the BOE in order to conceal this criminal conduct and create the appearance that Campaign Committee funds had been spent for legitimate purposes.

A. Payments To The Management Company That Were Used To Finance Construction At McLaughlin's New Home

40. McLAUGHLIN stood for and won reelection to the New York State Assembly in 2004. He had no opponent in the primary or general elections conducted that year.

41. In or about the summer of 2004, at McLAUGHLIN's direction, the Campaign Committee retained a company (the "Management Company") for the purported purpose of performing consulting and/or management services for McLAUGHLIN's 2004 reelection campaign. Foreman 1 owned and operated the Management Company, which, as alleged below, he had formed in or about late 2002, at McLAUGHLIN's behest, in order to receive payments from the CLC, portions of which he then provided to McLAUGHLIN. At the time that the Campaign Committee retained the Management Company, Foreman 1 – who, as stated above, was a practicing chiropractor and also held a full-time job for a Street Lighting Contractor – had worked as a volunteer on McLAUGHLIN's prior campaigns. Foreman 1, however, had no professional experience as a consultant or manager for political campaigns, and the Management Company did not perform such services for any other clients.

42. In fact, the Campaign Committee did not retain the Management Company to obtain political consulting or management services from Foreman 1. Rather, the Management Company was retained for the primary purpose of carrying out a scheme through

which McLAUGHLIN could use Campaign Committee funds for his personal benefit, while concealing that objective and creating the appearance that the funds were being used to finance his reelection campaign.

43. Between in or about September of 2004 and in or about February of 2005, the Campaign Committee issued a series of checks to the Management Company, in a total amount of more than $146,000. Those payments were described, in the Campaign Committee's financial disclosure statements submitted to the BOE, as expenditures for consulting services relating to McLAUGHLIN's 2004 campaign. Foreman 1 used some of the funds that the Management Company obtained from the Campaign Committee to pay for ordinary and legitimate campaign-related expenses, such as the purchase of advertising and campaign literature. Most of the proceeds from the Campaign Committee's payments to the Management Company, however, were ultimately expended for McLAUGHLIN's benefit, using several different mechanisms. For example, Foreman 1 provided Officer 1 with cash payments totaling more than $34,000, which Foreman 1 obtained from cashing checks drawn on the Management Company's account. Foreman 1 also used the bank account of a different corporate entity that he controlled to provide Officer 1 with a series of checks and cash payments worth a total amount of more than $70,000. At McLAUGHLIN's direction, Officer 1 then used the funds that he received from

Foreman 1, along with proceeds from other racketeering activity alleged in this Indictment, to make a series of cash payments to an individual who oversaw construction and renovation work (the "Construction Manager"), and who paid subcontractors hired to perform that work, at a home that McLAUGHLIN purchased in or about April of 2003 in the vicinity of Nissequogue, Long Island (the "Nissequogue Residence"). In addition, using one of the corporate accounts from which Foreman 1 provided Officer 1 with checks and cash payments, Foreman 1 wrote a check made out to McLAUGHLIN's wife in an amount of more than $10,000, and he wrote a check for more than $4,000 directly to a subcontracting company that performed work at the Nisequogue Residence. Finally, Foreman 1 used a credit card to purchase materials used in the renovation project; he then paid for those charges, which totaled thousands of dollars, using checks drawn on an account held in the name of one of Foreman 1's chiropractic offices.

44. Specific instances of conduct in which McLAUGHLIN and others engaged, along with those described above, to further this scheme included the following:

a. On or about March 8, 2005, Officer 1 met with the Construction Manager at McLAUGHLIN's Nissequogue Residence. During that meeting, Officer 1 paid the Construction Manager over $7,700 in cash, and they discussed the status of renovations that

had been done, as well as work that remained to be completed, at the property.

b. On or about March 11, 2005, Officer 1 and Foreman 1 met at the offices of the Street Lighting Contractor where they were both employed. During the meeting, Foreman 1 provided Officer 1 with $2,000 in cash. A short time later, Foreman 1 told Officer 1 that this payment was the balance of proceeds from a check that the Campaign Committee had issued to the Management Company. Foreman 1 further indicated that, at the time, he had spent and returned about $10,000 more than he had received through the Campaign Committee's payments to the Management Company.

c. On or about March 25, 2005, McLAUGHLIN met with Officer 1. During their conversation, Officer 1 stated that the Campaign Committee's most recent check to the Management Company had been for an amount of more than $25,000. After McLAUGHLIN acknowledged that fact, Officer 1 stated that Foreman 1 had recently given back "$7,000 in twenties," followed by "another $2,000 in twenties." Later in the conversation, Officer 1 suggested that they should meet with Foreman 1 to discuss the status of their financial dealings. McLAUGHLIN agreed and indicated that the meeting should be handled quietly.

d. On or about March 19, 2005, McLAUGHLIN met with Foreman 1 and Officer 1. During their conversation, after

addressing issues relating to a different scheme, they discussed various payments that the Management Company had received from the Campaign Committee, and money that Officer 1 had received back from Foreman 1, which was then used to pay for renovations at the Nissequogue Residence. In the context of that discussion, Foreman 1 again mentioned that he was running "ten thousand negative." He added, however, that this deficit was "not a big deal" because of income that he expected to receive from work relating to the CLC.

e. On or about March 25, 2005, McLAUGHLIN met with Officer 1. During the conversation, Officer 1 stated: "Like, from the Committee, I write [Foreman 1] all these checks. When I ask for cash to pay [the Construction Manager], he gives me the cash, and then I pay [the Construction Manager]." Officer 1 then asked whether McLAUGHLIN knew how much money Foreman 1 was spending, and how much was left over. In response, McLAUGHLIN indicated that he did not know, and he further stated that his "bigger problem" related to tax and accounting issues arising from a different series of payments that Foreman 1 was making. In continuing this discussion, McLAUGHLIN explained a plan he had formulated to receive half the proceeds that Foreman 1 would earn through a fund raising project for the CLC. Later in the conversation, McLAUGHLIN described Foreman 1 as "like a conduit for us."

f. On or about April 1, 2005, McLAUGHLIN met with Officer 1 and Foreman 1. During their conversation, McLAUGHLIN stated that he wanted to formulate a "reasonable budget," and he asked Foreman 1 to bring him up to date regarding the amounts of money that the Management Company had received and had used to pay "real expenses." Foreman 1 agreed to do so. He then reviewed various payments that the Management Committee had received from the Campaign Committee, and sums that had been returned, in various ways, to provide McLAUGHLIN with money that he needed and to pay the Construction Manager. Foreman 1 also stated that at the time of the meeting, he was owed $10,000. In response, Officer 1 asked McLAUGHLIN how he wanted to pay Foreman 1 that amount. Foreman 1 then stated: "Oh, we have that because I'm gonna be billing the [Central Labor] Council . . . . So, I mean that, we'll be back to a few dollars of working capital when that's all said and done." Foreman 1, McLAUGHLIN, and Officer 1 then discussed the payments that the Management Company had received from the Campaign Committee, and they added up campaign-related expenses that Foreman 1 had paid with those funds. Summarizing these calculations, Officer 1 commented that from the payments that the Campaign Committee had made to the Management Company, more than $80,000 "came back to Brian for the house." McLAUGHLIN then indicated that their plan had been a good one.

B. Payments To Officer 2

45. Between in or about November of 1998 and in or about July of 2003, more than forty checks, worth a total amount of approximately $55,500, were written from the Campaign Committee to Officer 2. The Campaign Committee's financial disclosure statements described these payments as being made for the purpose of obtaining consulting services. In fact, Officer 2 did no work as a consultant for McLAUGHLIN's campaign, or for McLAUGHLIN's legislative office, or for any other individual or entity. Instead, these checks were provided to Officer 2 to implement another scheme through which McLAUGHLIN obtained Campaign Committee funds for his personal use, while concealing that objective and creating the appearance that the funds were being used for legitimate purposes. Accordingly, at McLAUGHLIN's direction, Officer 2 cashed the checks that he received from the Campaign Committee and provided the proceeds to McLAUGHLIN or used the proceeds in accordance with McLAUGHLIN's instructions.

46. Many of the Campaign Committee's checks to Officer 2 were issued on a monthly basis, in an amount of approximately $500. When Officer 1 discovered that Officer 2 was incurring personal expenses to purchase money orders, or to engage in other transactions, in carrying out McLAUGHLIN's instructions, Officer 1 increased the Campaign Committee's monthly payments to Officer 2 by a small amount in order to cover Officer 2's costs.

C. Payments For Cleaning Services Performed At McLaughlin's Residence

47. Between in or about March of 1998 and in or about July of 2003, more than fifty checks, worth a total amount of approximately $29,000, were written from the Campaign Committee to an individual who performed cleaning services (the "Cleaning Person"). The Cleaning Person typically received $450 per month, or $900 every other month, from the Campaign Committee. Of that amount, $400 compensated the Cleaning Person for cleaning McLAUGHLIN's residence, where she worked one day a week, for most of the day. The remaining $50 compensated the Cleaning Person for cleaning McLAUGHLIN's District Office, where she worked for approximately one to two hours, two days a month. In or about February 2002, the Cleaning Person stopped working at McLAUGHLIN's District Office, but the payments that she received from the Campaign Committee did not decrease. The Campaign Committee's financial disclosure statements typically described these expenditures as being made for the purpose of office cleaning.

D. Checks Cashed By Foreman 2

48. In order to carry out another scheme through which McLAUGHLIN obtained personal use of funds from his Campaign Committee, between in or about October of 2003 and in or about January of 2005, Officer 1 provided Foreman 2 with a series of checks worth a total amount of more than $56,500.

a. Two of those checks were written to the Management Company, one for an amount of $9,735 and the other for an amount of $9,300. As with the other checks issued to the Management Company – which totaled over $146,000, as alleged in paragraph 43 above – the Campaign Committee's financial disclosure statements described these two expenditures as payments for consulting services.

b. Three of the checks provided to Foreman 2, in a total amount of approximately $23,800, were written to a company that performed printing services for McLAUGHLIN's campaign. The Campaign Committee's financial disclosure statements described these expenditures as being made, respectively, for campaign mailings, campaign literature, and print advertisements.

c. One of the checks was written to McLAUGHLIN's daughter-in-law, in an amount of $5,000. The Campaign Committee's financial disclosure statement described this expenditure as being made for consulting services.

d. One of the checks was written to a catering hall in an amount of $8,700. The Campaign Committee's financial disclosure statement described this expenditure as being made for the purpose of fund raising.

49. Officer 1 provided these checks to Foreman 2 because, as alleged above, and as Officer 1 and McLAUGHLIN were aware, Foreman 2 knew of a location where checks could be cashed,

regardless of to whom they were made payable. After Foreman 2 received the Campaign Committee checks from Officer 1, Foreman 2 took them to this location, gave them to an individual, and, a few days later, returned to the same location to retrieve the cash proceeds. Foreman 2 then provided this currency to Officer 1, who used it to make cash payments to the Construction Manager overseeing work being done at McLAUGHLIN's Nissequogue Residence. None of the checks that Officer 1 gave to Foreman 2 were delivered to the entities to which they were made payable, and those entities did not perform any of the work for which the checks purportedly constituted payment. To further conceal the nature and purpose of this scheme, Officer 1 fabricated invoices and other documents corresponding to the payments, to create the false impression, if necessary, that the Campaign Committee had made these expenditures for the purposes listed on its financial disclosure reports.

E. Payments To McLaughlin's Daughter-In-Law And For Wedding-Related Expenses

50. On or about August 14, 2004, an individual (the "Daughter-In-Law") married one of McLAUGHLIN's sons.

51. From in or about June of 2004 through in or about September of 2004, the Campaign Committee issued four monthly checks made out to the Daughter-In-Law, each in the amount of $5,000. In the Committee's financial disclosure statements, and in documents that Officer 1 created and maintained, those

payments were described as being made for the purpose of obtaining consulting services. In fact, the Daughter-In-Law performed no work of any kind for McLAUGHLIN or his campaign, and the checks issued to her were instead used to pay for wedding-related expenses.

52. Although three of the four $5,000 checks made out to the Daughter-In-Law – specifically, the payments made in June, July, and August of 2004 – were provided to her, she did not receive the fourth such check, which was dated in September of 2004. That check, as alleged in paragraph 48.c above, was instead given to Foreman 2, so that Foreman 2 could cash the check and return the proceeds to Officer 1, who, in turn, used the funds to pay for work performed at McLAUGHLIN's Nissequogue Residence.

53. On or about August 12, 2004, McLAUGHLIN hosted a rehearsal dinner for family members, close friends, and members of the wedding party. McLAUGHLIN paid for the dinner – which took place at a restaurant, and cost more than $2,000 – using a personal credit card. McLAUGHLIN then submitted his credit card receipt for the dinner to Officer 1, in order to receive reimbursement from the Campaign Committee. McLAUGHLIN also purchased flowers for the rehearsal dinner, at a cost of more than $400. He then submitted the invoice for that expense to Officer 1, so that the Campaign Committee would pay the bill. In

September of 2004, the Campaign Committee issued (1) a check to McLAUGHLIN in an amount of more than $2,500, which reimbursed McLAUGHLIN for the cost of the rehearsal dinner and other unrelated expenses, and (2) a check to the florist for more than $400. The Campaign Committee's financial disclosure report indicated that the expenditure for the rehearsal dinner was made for the purpose of fund-raising. The payment to the florist was described as an office expense.

F. Payments To An Individual With Whom McLaughlin Maintained A Personal Relationship

54. From in or about September of 2000 through in or about November of 2000, the Campaign Committee issued three checks to an individual referred to above as Friend 3. As alleged above, McLAUGHLIN had a personal relationship with Friend 3 during this time period. The Campaign Committee made three payments to Friend 3, in a total amount of $6,000. In the Committee's financial disclosure statements, and in documents that McLAUGHLIN and Officer 1 created and that Officer 1 maintained, those payments were described as being made for the purpose of obtaining consulting services. In fact, Friend 3 was not a consultant and performed no such services for McLAUGHLIN or his campaign; instead, McLAUGHLIN provided Friend 3 with this income because of their personal relationship.

55. During the same period of time, between in or about the summer of 2000 and in or about February of 2001, McLAUGHLIN also

used his official positions to provide Friend 3 with the following additional benefits: (1) he arranged for Friend 3 to be hired at the CLC; (2) he caused Friend 3 to receive a $1,000 check drawn on the SLA account, even though Friend 3 had no involvement with the J Division and had no legitimate reason to receive those funds; and (3) he arranged for Friend 3 to be placed on the payroll of a Street Lighting Contractor for a short period of time, and thus caused Friend 3 to receive income for purportedly working as J Division member, even though Friend 3 was not an electrician or a member of Local 3 and never performed any work, of any kind, for the contractor.

G. Payments To McLaughlin's Country Club

56. In or about January of 1999, McLAUGHLIN applied for and obtained membership at a country club located on Long Island (the "Country Club"). The membership included McLAUGHLIN and the members of his immediate family. In or about February of 1999, the Country Club billed McLAUGHLIN for an initiation fee of approximately $24,400.

57. As a partial payment for that initiation fee, McLAUGHLIN caused the Campaign Committee to send the Country Club a check dated March 26, 1999 in an amount of approximately $8,000. The purpose of that expenditure, according to the Campaign Committee's financial disclosure report, was fund-raising.

58. In order to pay the remainder of his initiation fee, McLAUGHLIN provided the Country Club with a personal check for $16,500. However, on or about the same date that the Campaign Committee issued the check to the Country Club for approximately $8,000, several additional checks were issued from the Campaign Committee and the SLA account, including: (1) a Campaign Committee check dated March 26, 2000 made out to Officer 1, in the amount of $5,000, which was described on the Committee's disclosure statement as a payment for consulting services; (2) a Campaign Committee check dated March 26, 2000 made out to Officer 2, in the amount of $5,000, which was also described on the Committee's disclosure statement as a payment for consulting services; (3) a Campaign Committee check dated March 26, 2000 made out to the EAA, in the amount of $2,000, which was deposited into the EAA Bank-2 Account and was described on the Committee's disclosure statement as a political contribution; and (4) an SLA check dated March 25, 2000 made out to Officer 2 in the amount of $4,500, which was cashed on or about March 27, 2000. The combined value of those checks was $16,500, which, as alleged above, was the exact amount of the personal check that McLAUGHLIN provided to the Country Club for the portion of his initiation fee that was not paid for directly with the Campaign Committee check for approximately $8,000. Officer 1, like Officer 2, did

not provide consulting services to McLAUGHLIN or McLAUGHLIN's campaign and was not compensated for that purpose.

H. The Check Written To Foreman 2

59. Foreman 2, in addition to his work as an electrician in the street lighting industry, had extensive experience in performing residential construction, repairs, and carpentry work. Because Foreman 2 possessed such skills, McLAUGHLIN regularly called upon him to perform various projects at McLAUGHLIN's residence and in other locations. As alleged below, although this work was unrelated to street lighting or traffic signal maintenance jobs, Foreman 2 often found it necessary to work on personal projects for McLAUGHLIN during periods of time when Foreman 2 would have otherwise been attending to his duties as a foreman for a Street Lighting Contractor. McLAUGHLIN sometimes paid for the building materials that Foreman 2 used to perform these personal tasks. McLAUGHLIN did not, however, pay Foreman 2 for his time or labor. Rather, the Street Lighting Contractor that employed Foreman 2 continued to pay his salary, regardless of whether he was attending to his duties for that Contractor or working on personal projects for McLAUGHLIN. Foreman 2 engaged in this conduct because he feared that if he refused to do so, McLAUGHLIN might well take action against him that would have a substantial adverse impact on Foreman 2's livelihood.

60. On or about June 15, 1999, the Campaign Committee issued a check to Foreman 2 in an amount of more than $5,800. The purpose listed for that expenditure on the Campaign Committee's financial disclosure statement was "OTHER" – meaning, a purpose other than one of the specific categories of spending that the BOE provided, and from which a committee's representative could select in completing this section of the report. Contrary to the BOE's rules and instructions, which required that an additional explanation be provided for expenditures listed as having been made for "OTHER" purposes, no further explanation was provided for this payment to Foreman 2. In fact, in or around June of 1999, Foreman 2 did not perform any work, and he did not receive a payment of more than $5,800, for any purpose relating to either McLAUGHLIN's campaign or to McLAUGHLIN's work as a State Assemblyman. Rather, this payment was made to purchase building materials that Foreman 2 needed to complete a residential construction project for McLAUGHLIN's personal benefit.

RACKETEERING ACT THREE
Mail Fraud And Wire Fraud

61. The allegations contained in paragraphs 33 through 60 above are re-alleged and incorporated as though fully set forth herein.

62. The defendant committed the following acts of racketeering, any one of which alone constitutes the commission of Racketeering Act Three:

A. Mail Fraud

a. From in or about March of 1999 through in or about July of 2005, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, together with others known and unknown, unlawfully, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud his Campaign Committee and its contributors, and to obtain money and property by means of false and fraudulent pretenses, representations and promises, caused mail matter to be delivered by the United States Postal Service according to the direction thereon, for the purpose of executing such scheme and artifice, to wit, mailings seeking contributions to the Campaign Committee, and indicating only that such contributions would be used to support McLAUGHLIN's reelection campaigns and his legitimate objectives as a member of the New York State Assembly, in violation of Title 18, United States Code, Sections 1341 and 2.

B. Wire Fraud

b. From in or about March of 1999 through in or about July of 2005, in the Southern District of New York and elsewhere, BRIAN M. MCLAUGHLIN, the defendant, together with others known and unknown, unlawfully, willfully and knowingly, having devised

and intending to devise a scheme and artifice to defraud his Campaign Committee and its contributors, and to obtain money and property by means of false and fraudulent pretenses, representations and promises, caused to be transmitted by means of wire communications in interstate commerce, signs and signals for the purpose of executing such scheme and artifice, to wit, wire transmissions containing financial disclosure reports submitted to the BOE, which contained false and misleading entries indicating that the payments described in paragraphs 43 through 60 above were made for purposes relating to McLAUGHLIN's political campaigns or his work as a State Assemblyman, when, in fact, those payments were made for McLAUGHLIN's personal benefit, in violation of Title 18, United States Code, Sections 1343 and 2.

RACKETEERING ACT FOUR
Money Laundering
(Proceeds From Payments To The Management Company)

63. The allegations contained in paragraphs 33 through 44 above are re-alleged and incorporated as though fully set forth herein.

64. From in or about the summer of 2004 through in or about April of 2005, in the Eastern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, together with others known and unknown, conducted and attempted to conduct financial transactions involving the proceeds of specified unlawful

activity, knowing that the property involved in such financial transactions represented the proceeds of some form of unlawful activity, and knowing that such financial transactions were designed in whole or in part to conceal and to disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activity, to wit, after having arranged for his Campaign Committee to make fraudulent payments, in the form of checks issued to the Management Company, McLAUGHLIN caused Foreman 1 to transfer cash proceeds from those checks to Officer 1, and caused Officer 1 to transfer such proceeds to pay for construction work and renovations at McLAUGHLIN's Nissequogue Residence, in violation of Title 18, United States Code, Sections 1956(a)(1)(B)(i)and 2.

RACKETEERING ACT FIVE
Money Laundering
(Proceeds From Checks Provided To Foreman 2)

65. The allegations contained in paragraphs 33 through 39 and 48 through 49 above are re-alleged and incorporated as though fully set forth herein.

66. From in or about the October of 2003 through in or about March of 2005, in the Eastern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, together with others known and unknown, conducted and attempted to conduct financial transactions involving the proceeds of specified unlawful activity, knowing that the property involved in such

financial transactions represented the proceeds of some form of unlawful activity, and knowing that such financial transactions were designed in whole or in part to conceal and to disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activity, to wit, after having arranged for his Campaign Committee to make fraudulent payments, in the form of checks written to the Management Company, a printing company, McLAUGHLIN's relative, and a catering hall, which Foreman 2 instead cashed, McLAUGHLIN caused Officer 1 to use the proceeds from those checks to pay for construction work and renovations at McLAUGHLIN's Nissequogue Residence, in violation of Title 18, United States Code, Sections 1956(a)(1)(B)(i)and 2.

RACKETEERING ACTS SIX through EIGHT
Wire Fraud And Mail Fraud
(The New York City Central Labor Council)

67. As with his other official positions, McLAUGHLIN used his authority as the President of the CLC to enrich himself through criminal activity. In doing so, McLAUGHLIN received assistance from individuals who also helped him to commit other racketeering acts alleged in this Indictment.

RACKETEERING ACT SIX
Wire Fraud
(Foreman 1's Employment As The Director
Of The Commission On The Dignity Of Immigrants)

68. In or about 1999, the CLC helped form the Commission on the Dignity of Immigrants (the "Commission"). In information

about the CLC's activities that it provided to the public, the CLC described the Commission as follows:

> The Commission on the Dignity of Immigrants is a task force of labor and clergy leaders that gather on a regular basis to discuss immigrant and immigration issues and create public policy to improve on any negative immigration policy.
>
> In an age where anti-immigration legislation and sentiments are widespread throughout our country and our own city, the Commission stands as a beacon in guiding immigrants towards their rights and their fair share of resources. Together with the Archdiocese [of New York], clergy leaders of other denominations, community immigrant organizations and friendly government agencies, the Commission provides real solutions for real problems, from naturalization to exploitation.

Through the Commission, the CLC planned and participated in events to pursue these stated objectives.

69. In or about August of 2005, McLAUGHLIN arranged for Foreman 1 to be hired as the Director of the Commission. At the time, Foreman 1 had no training or professional experience relating to immigration issues, and he was not actively involved in working with immigrant communities. Moreover, at the time, Foreman 1 already held positions as (1) a full-time supervisor for a Street Lighting Contractor, (2) a chiropractor in private practice, (3) a consultant and event planner for the CLC, and (4) a part-time Community Liaison in McLAUGHLIN's legislative District Office. When McLAUGHLIN informed Foreman 1 that he would be appointed as the Director of the Commission, Foreman 1 indicated that he could not take on the additional

responsibilities. McLAUGHLIN, however, advised Foreman 1 that the job would not require any substantial investment of time. He also instructed Foreman 1 to open a checking account at a particular bank, and to arrange for his paychecks from the CLC to be transmitted by direct-deposit transactions to that account. McLAUGHLIN further instructed that when Foreman 1 received the checks for that account, he should sign the checks, otherwise leave them blank, and provide them to McLAUGHLIN.

70. In arranging for Foreman 1 to be hired as the Director of the Commission, McLAUGHLIN also took steps to increase the salary for that position by a substantial amount. As a result, Foreman 1 became the third-highest paid employee of the CLC, behind McLAUGHLIN and the CLC's second-highest ranking officer. The CLC used funds from a United Way grant to pay Foreman 1's salary. At the outset, Foreman 1 was compensated at a rate that would have provided him with a gross annual salary of more than $81,000. In or about October of 2005, McLAUGHLIN arranged for Foreman 1 to receive a raise. Accordingly, beginning in or about November of 2005, the CLC compensated Foreman 1 at a rate that would have provided him with a gross annual salary of more than $94,000.

71. As McLAUGHLIN instructed, Foreman 1 opened a checking account and arranged to receive his salary from the CLC through direct-deposit transactions. The CLC had previously retained an

independent payroll company to handle its payroll process. That company used banks located outside of New York State to initiate direct deposits into employee accounts. From in or about September of 2005 to in or about April of 2006, the payroll company transmitted weekly deposits into the account that Foreman 1 had opened, in a total amount of more than $41,000; each of those direct deposits was made through an interstate transmission of wire signals. Including amounts that were deducted and withheld from Foreman 1's pay, and matching contributions that the CLC was required to make under federal law, the CLC paid a total amount of more than $55,000 as a result of Foreman 1's employment. Foreman 1 resigned from his position as the Director of the Commission in or about March of 2006, after search warrants were executed at the CLC offices and in other locations. During the course of Foreman 1's employment for the CLC, he devoted little time to his purported responsibilities as the Commission’s Director.

72. In accordance with McLAUGHLIN’s instructions, Foreman 1 signed the checks for the account into which his CLC salary was deposited, and he then provided those checks, which he otherwise left blank, to McLAUGHLIN. McLAUGHLIN then used the checks to pay for a variety of personal expenses, including: (1) rental payments for a residence that he maintained in Queens; (2) payments for charges incurred on personal credit cards; (3)

payments on a home-equity line of credit that he obtained from a bank; (4) payments for a car driven by one of his children; (5) mortgage payments for his Nissequogue Residence; (6) payments for charges incurred on a personal credit card issued by a store that sold appliances and electronics; (7) payments directly to himself; (8) payments to his Country Club; and (9) a payment to a subcontractor that performed work at the Nissequogue Residence.

Wire Fraud

73. From in or about August of 2005 through in or about April of 2006, in the Southern District of New York and elsewhere, BRIAN M. MCLAUGHLIN, the defendant, together with others known and unknown, unlawfully, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud the New York City Central Labor Council, and to obtain money and property by means of false and fraudulent pretenses, representations and promises, caused to be transmitted by means of wire communications in interstate commerce, signs and signals for the purpose of executing such scheme and artifice, to wit, wire transmissions of direct-deposit salary payments into an account held by Foreman 1, which, in fact, was not compensation for work that Foreman 1 actually performed but was instead a means through which McLAUGHLIN secretly obtained additional funds from the CLC for his own personal purposes, in violation of Title 18, United States Code, Sections 1343 and 2.

RACKETEERING ACT SEVEN
Mail Fraud
(Payments For Consulting Services)

74. In or about late 2002, at McLAUGHLIN's direction, Foreman 1 formed the Management Company. McLAUGHLIN then arranged for the CLC to retain the Management Company to provide consulting services, at a rate of $5,000 per month. McLAUGHLIN instructed Foreman 1 to use these payments to set up an office and to purchase items that would help to create the appearance that the Management Company was an actual consulting firm; after making these expenditures, McLAUGHLIN further instructed, Foreman 1 should return whatever proceeds remained to McLAUGHLIN. Foreman 1 complied with McLAUGHLIN's instructions.

75. Prior to forming the Management Company, Foreman 1 periodically worked as a volunteer for the CLC by helping to transport sound equipment that the CLC used for public events. After the CLC began paying the Management Company, Foreman 1 continued performing such tasks. He did not, however, function as a consultant, and the nature and frequency of his volunteer work did not change in any significant way.

76. Between in or about December of 2002 and in or about March of 2004, Foreman 1 submitted invoices to the CLC from the Management Company. The invoices sought payments of $5,000 for "monthly consulting services" relating to "mobilization, sound, transportation and permits." After McLAUGHLIN approved those

invoices for payment, the CLC issued checks, which were signed by McLAUGHLIN and another CLC officer, to the Management Company. As McLAUGHLIN had instructed from the outset, Foreman 1 returned proceeds from those payments to McLAUGHLIN. Between in or about January of 2003 to in or about March of 2004, the CLC paid a total of $60,000 to the Management Company for "monthly consulting services" that, as alleged above, were not performed.

77. Moreover, beginning in or about 2004, McLAUGHLIN arranged for the CLC to retain the Management Company to conduct fund-raising activities in exchange for a percentage of the proceeds generated from that work. It was McLAUGHLIN's plan, and Foreman 1's understanding, that McLAUGHLIN would receive a substantial share of the income that Foreman 1 obtained from the CLC in this manner. Between in or about September of 2004 and in or about September of 2005, Foreman 1 received several payments from the CLC – initially through the Management Company, and then through a consulting company that Foreman 1 created to replace the Management Company – which totaled more than $65,000. Those payments compensated Foreman 1 for work that he did (1) soliciting advertisements for a fund-raising journal that the CLC circulated at its annual awards dinner, and (2) planning a summer golf tournament, which also raised money for the CLC. As alleged above, in or about 2005, Foreman 1 used a portion of that income to offset losses that he incurred by spending and returning more

money for McLAUGHLIN’s personal benefit than the Management Company had received from McLAUGHLIN’s Campaign Committee for purportedly running McLAUGHLIN’s 2004 reelection campaign. During the same period of time, at McLAUGHLIN’s direction, Foreman 1 also issued checks in a total amount of more than $19,000, which were used to pay for charges that McLAUGHLIN had incurred on personal credit cards and at his Country Club.

78. In the course of the Management Company’s purported consulting work for the CLC, Foreman 1 received one or more checks from the CLC by mail, and he issued checks that were sent by mail to pay McLAUGHLIN’s credit card and country club bills.

Mail Fraud

79. From in or about December of 2002 through in or about October of 2004, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, together with others known and unknown, unlawfully, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud the New York City Central Labor Council, and to obtain money and property by means of false and fraudulent pretenses, representations and promises, caused mail matter to be delivered by the United States Postal Service according to the direction thereon, for the purpose of executing such scheme and artifice, to wit, the mailing of one or more checks from the CLC to the Management Company, purportedly as payments for monthly

consulting services, when, in fact, the Management Company was not performing such services but was instead being used to secretly provide McLAUGHLIN with additional funds from the CLC, as well as the mailing of checks that Foreman 1 issued to pay for McLAUGHLIN's personal expenses, in violation of Title 18, United States Code, Sections 1341 and 2.

RACKETEERING ACT EIGHT
Mail Fraud
(The Payment For McLaughlin's Home Security System)

80. In or about December of 2004, McLAUGHLIN and Officer 1 arranged for a private security company to install a home security and fire alarm system at McLAUGHLIN's Nissequogue Residence. An individual who specialized in the installation and maintenance of such systems (the "Security Expert") operated this company and performed the necessary work at McLAUGHLIN's home. The installation of the system cost $5,875, plus tax.

81. At McLAUGHLIN's direction, Officer 1 instructed the Security Expert to create an invoice that could be used to bill the CLC for the cost of the security and alarm system that was installed at the Nissequoge Residence, and to send that invoice to the CLC for payment. The Security Expert was familiar with the CLC because he had previously done security-related work at the CLC offices. As Officer 1 instructed, the Security Expert prepared an invoice falsely stating that he had performed an electronic sweep of the CLC's office space and communications

lines in order to detect the presence of any hidden listening or recording devices, and that no such devices were detected. The invoice further indicated that the amount owed for this work was $5,875, plus tax. The Security Expert mailed this invoice to the CLC. In or about January of 2005, after the invoice was approved for payment, the CLC mailed a check for $5,875 to the Security Expert's company. McLAUGHLIN was one of two CLC officials who signed that check.

Mail Fraud

82. From in or about December of 2004 through in or about January of 2005, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, together with others known and unknown, unlawfully, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud the New York City Central Labor Council, and to obtain money and property by means of false and fraudulent pretenses, representations and promises, caused mail matter to be delivered by the United States Postal Service according to the direction thereon, for the purpose of executing such scheme and artifice, to wit, the mailing of an invoice from a security company to the CLC, and the mailing of a check from the CLC to the security company as payment for the work described in that invoice, when, in fact, no such work was performed for the CLC, and the payment

was instead made for McLAUGHLIN's personal benefit, in violation of Title 18, United States Code, Sections 1341 and 2.

RACKETEERING ACTS NINE through ELEVEN
Mail Fraud
(The New York State Assembly)

83. As with his other official positions, McLAUGHLIN used his State Assembly office to enrich himself and others through acts of criminal conduct. In doing so, McLAUGHLIN received assistance from individuals who also helped him to commit other racketeering acts alleged in this Indictment.

Fictitious Positions On McLaughlin's Legislative Staff

84. As alleged in greater detail below, between in or about 2003 and in or about 2006, McLAUGHLIN created fictitious positions for Officer 1 and Officer 2 as members of his State Assembly staff. In accordance with McLAUGHLIN's instructions, Officer 2 provided McLAUGHLIN with half of the salary that he received from the State. Neither Officer 1 nor Officer 2 performed any substantial work for McLAUGHLIN's legislative office during the times that they were receiving compensation from New York State.

85. In or about November of 2003, McLAUGHLIN proposed that Officer 2 be put on the State Assembly payroll as a member of McLAUGHLIN's staff employed at the District Office, and that Officer 2 would then kick back half of his income from that position to McLAUGHLIN. Based on his experience and

conversations with McLAUGHLIN, Officer 2 understood that in carrying out this scheme, he would not be expected to do any real work for the D.O. in connection with this purported employment.

86. A short time later, in or about November of 2003, one or more members of McLAUGHLIN's State Assembly staff provided Officer 2 with paperwork that he would have to complete in order to be put on the payroll as a D.O. employee. Officer 2 completed this paperwork and delivered it to McLAUGHLIN's office at the CLC. On or about the following day, McLAUGHLIN informed Officer 2 that he had received Officer 2's paperwork and intended to take it to Albany.

87. Among the employment-related forms that Officer 2 received was a document titled "New York State Assembly Employee Job Description." The form indicated that Officer 2 would be working for McLAUGHLIN as a "Community Liaison." The form further indicated that during the course of his employment, Officer 2 would have a series of duties, including: completing special projects involving "community outreach"; representing the McLAUGHLIN at meetings; meeting and preparing for meetings with constituents in the District Office or elsewhere; advising McLAUGHLIN on pending community events; and acting as a liaison with specific groups, such as labor unions and school boards. Another form that Officer 2 received in connection with this purported employment indicated, among other things, that he was

assigned to work at the D.O. and that McLAUGHLIN’s Chief Of Staff would be his supervisor.

88. From in or about November of 2003 through the end of December of 2003, Officer 2 signed time sheets for this position, which covered successive two-week pay periods beginning on October 9, 2003 and ending on December 31, 2003. According to the time sheets, during that period of time, Officer 2 worked 7 hours a day, 5 days a week, for a total of 70 hours during each two-week period. McLAUGHLIN’s Chief Of Staff signed the time sheets as Officer 2's supervisor, beneath the following representations: “(1) The employee named above [Officer 2] was employed by this office during the time period covered by this time sheet. (2) Such employee has, during the reporting period, performed the proper duties assigned to him/her. (3) To the best of my knowledge, the information contained in this report is correct in all respects.” Officer 2's time sheets were sent by mail from the District Office to Albany as part of the normal payroll process for D.O. employees.

89. Over the years, at McLAUGHLIN’s request, Officer 2 attended meetings for McLAUGHLIN from time to time. From October through December of 2003, however, during the course of Officer 2's purported employment as a “Community Liaison” for the D.O., Officer 2 did not attend any such meetings, and he did not perform the other responsibilities listed on the New York State

Assembly Job Description form described above in paragraph 87. Moreover, Officer 2 did not work at the D.O. and was not there for substantial periods of time on a daily basis during the weeks between October and December of 2003; indeed, during that time period, Officer 2 held a full-time job working as a street lighting foreman for a Street Lighting Contractor.

90. In or about January of 2004, as a result of Officer 2's purported employment at the D.O., he received two paychecks from New York State in a total amount of approximately $4,555. Those checks had been sent, by mail, from Albany to the District Office.

91. On or about January 22, 2004, McLAUGHLIN met with Officer 2. During their conversation, Officer 2 told McLAUGHLIN that he had “the payroll” with him, and that it had come out to $4,555. At McLAUGHLIN’s suggestion, Officer 2 and McLAUGHLIN then went to a different location and continued their conversation in private. After they entered a car and discussed a different scheme – which involved the possibility that Officer 2 would become a consultant for the CLC and kick back a portion of his salary to McLAUGHLIN – Officer 2 provided McLAUGHLIN with $2,300 in cash. Officer 2 and McLAUGHLIN then counted the currency to make sure that the amount was correct, and McLAUGHLIN returned one of the bills to Officer 2.

92. In or about March of 2005, McLAUGHLIN proposed to put Officer 1 on the D.O. payroll. Officer 1 met with McLAUGHLIN on or about March 12, 2005. During their conversation, McLAUGHLIN and Officer 1 reviewed various employment-related forms, some of which McLAUGHLIN instructed Officer 1 to sign. One of the forms was a "New York State Assembly Job Description," similar to the one that Officer 2 had received when he was placed on the D.O. payroll in late 2003. The duties that Officer 1 would be assigned, according to this official Job Description, included: representing McLAUGHLIN at meetings; advising McLAUGHLIN on pending community events; acting as a liaison with specific groups, such as labor unions and school boards; allocating work assignments; preparing and making recommendations for allocations of the McLAUGHLIN's budget; receiving office visitors; receiving and placing telephone calls; reading and distributing newspaper and magazine articles; and attending to other necessary duties. During the same meeting, McLAUGHLIN informed Officer 1 that his job title would be "Special Assistant to the Assemblyman." McLAUGHLIN also indicated that Officer 1's position would be part-time for an indefinite period, and that Officer 1's annual salary would begin at $25,000. In addition, McLAUGHLIN instructed Officer 1 to sign a form indicating that Officer 1 had read a booklet titled "Know The Selected Laws Governing The Conduct Of The Members, Officers, And Employees Of The New York

State Legislature." McLAUGHLIN provided Officer 1 with a copy of this booklet, which contained various provisions of state law governing legislative officials and employees, including Penal Law § 195.20, which made it a felony for a public servant to defraud the state government.

93. During the course of his purported employment as a Special Assistant to the Assemblyman, Officer 1 signed a series of time sheets. On various occasions, he signed such time sheets when they were still blank, in advance of the relevant pay periods. The individuals who attested to the accuracy of Officer 1's time sheets, as his supervisor, included McLAUGHLIN and his Chief Of Staff. Officer 1's time sheets typically indicated that he worked four or five hours a day, four or five days a week, for a total of 20 hours per week and 40 hours for each two-week pay period. Some of Officer 1's time sheets indicated that he continued to work such hours during periods of time when Officer 1 was, in fact, away from New York City on vacation with his family. Officer 1's time sheets were sent by mail from the District Office to Albany as part of the normal payroll process for D.O. employees.

94. Beginning in or about April of 2005, Officer 1 began receiving payroll checks from New York State, which had been sent, by mail, from Albany to the District Office. Officer 1 held his position on McLAUGHLIN's State Assembly staff until

McLAUGHLIN terminated Officer 1's employment in or about March of 2006, after search warrants were executed at McLAUGHLIN's District Office and in other locations. Over the course of Officer 1's employment, he received gross salary payments from New York State in a total amount of more than $32,000.

95. During Officer 1's purported employment as a "Special Assistant" to McLAUGHLIN, he held a full-time position as a foreman working for a Street Lighting Contractor. He also undertook additional responsibilities as a J Division officer, and as the Treasurer of McLAUGHLIN's Campaign Committee. In those capacities, over the years, Officer 1 performed various tasks for McLAUGHLIN relating to Local 3, the CLC, and the administration of McLAUGHLIN's campaign fund. He also assisted McLAUGHLIN in carrying out various criminal schemes alleged in this Indictment. In addition, at McLAUGHLIN's request, Officer 1 occasionally attended meetings or performed other work for McLAUGHLIN that related to McLAUGHLIN's work as a State Assemblyman. During the period of Officer 1's purported employment for the D.O., however, he was not called upon to devote any substantial time, and never approached devoting 20 hours during the course of any week, to performing the types of duties that he was purportedly assigned as a "Special Assistant" to McLAUGHLIN.

RACKETEERING ACT NINE
Mail Fraud
(Employment Of Officer 2)

96. The allegations contained in paragraphs 83 through 91 above are re-alleged and incorporated as though fully set forth herein.

97. From in or about November of 2003 through in or about January of 2004, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, together with others known and unknown, unlawfully, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud the State of New York, and to obtain money and property by means of false and fraudulent pretenses, representations and promises, caused mail matter to be delivered by the United States Postal Service according to the direction thereon, for the purpose of executing such scheme and artifice, to wit, the mailing of time sheets purporting to reflect the hours that Officer 2 spent working as a member of McLAUGHLIN's District Office staff, and the mailing of state payroll checks to compensate Officer 2 for such purported work, when, in fact, Officer 2 did not perform the work for which he received compensation and instead provided McLAUGHLIN with a share of his salary, in violation of Title 18, United States Code, Sections 1341 and 2.

RACKETEERING ACT TEN
Mail Fraud
(Employment Of Officer 1)

98. The allegations contained in paragraphs 93 through 95 above are re-alleged and incorporated as though fully set forth herein.

99. From in or about April of 2005 through in or about March of 2006, in the Eastern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, together with others known and unknown, unlawfully, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud the State of New York, and to obtain money and property by means of false and fraudulent pretenses, representations and promises, caused mail matter to be delivered by the United States Postal Service according to the direction thereon, for the purpose of executing such scheme and artifice, to wit, the mailing of time sheets purporting to reflect the hours that Officer 1 spent working as a member of McLAUGHLIN’s District Office staff, and the mailing of state payroll checks to compensate Officer 1 for such purported work, when, in fact, Officer 1 did not perform the work for which he received compensation, in violation of Title 18, United States Code, Section 1341 and 2.

RACKETEERING ACT ELEVEN
Mail Fraud
(Reimbursements For Per Diem Expenses)

100. As a member of the State Assembly, McLAUGHLIN was entitled to receive reimbursement for his expenses, on a *per diem* basis, for days that he spent away from his legislative district attending to his official duties. Between in or about 2003 and in or about 2005, as alleged in more detail below, McLAUGHLIN submitted requests for such reimbursement containing false claims that he was in Albany on particular days when, in fact, he was elsewhere, and he took additional steps to prevent the detection of that misconduct.

101. Over the years, McLAUGHLIN periodically instructed Officer 2 and at least one other J Division foreman to drive to Albany and then back to New York City. During such trips, McLAUGHLIN directed the driver either to collect toll receipts, or, in more recent years, to use McLAUGHLIN's E-ZPass device in one direction and the driver's own E-ZPass device in the other direction. McLAUGHLIN issued these instructions in order to manufacture evidence that would, if necessary, provide support for a claim that he was in Albany during times when, in fact, he was elsewhere. The foremen who made these trips to Albany for McLAUGHLIN did so during time when they would have otherwise been working for, and when they were receiving compensation from, Street Lighting Contractors.

102. McLAUGHLIN and, at his direction, members of his legislative staff completed requests for *per diem* reimbursements using vouchers that the State Assembly provided for that purpose. The completed vouchers were then submitted, by mail, to the Finance Department of the State Assembly. McLAUGHLIN executed the completed vouchers and, in doing so, certified that: (1) the expenses listed were incurred in the rendering of legislative duties; (2) the claim set forth in the voucher was just, true, and correct; and (3) the balance shown was actually due and owing. After receiving such vouchers, the Finance Department mailed reimbursement payments to McLAUGHLIN.

103. Specific instances of conduct in which McLAUGHLIN and others engaged to further this scheme include the following:

a. During telephone conversations that occurred on or about November 23, 2003, McLAUGHLIN instructed Officer 2 to drive to Albany and back to New York City, using McLAUGHLIN's car, on or about November 24, 2003. McLAUGHLIN repeatedly instructed Officer 2 that in making this trip, Officer 2 should use his own E-ZPass on the way to Albany and McLAUGHLIN's E-ZPass on the way back to New York City. McLAUGHLIN reminded Officer 2 about which E-ZPass to use in which direction on or about the morning of November 24, 2003, before Officer 2 made the drive to Albany. Officer 2 complied with McLAUGHLIN's instructions. Through a voucher that McLAUGHLIN executed, and certified as being true and

correct, on or about November 25, 2003, he claimed that he was entitled to reimbursement for a full day in Albany on November 23, 2003 and a partial day in Albany on November 24, 2003. The State Assembly reimbursed McLAUGHLIN for the full amount that he sought.

b. Officer 2 met with McLAUGHLIN in New York City on or about February 2, 2005. During the conversation, McLAUGHLIN stated that he had "snuck out of Albany." McLAUGHLIN then instructed Officer 2 to drive McLAUGHLIN's car to Albany the next day, using Officer 2's E-ZPass on the way up and McLAUGHLIN's E-ZPass on the way back. In that way, McLAUGHLIN explained, he would "get credit" for being in Albany that night, and the next morning for a vote. McLAUGHLIN then repeated his instructions about which E-ZPass device Officer 2 should use in each direction, and he stated: "That's my record I was up there last night." Through a voucher that McLAUGHLIN executed, and certified as being true and correct, on or about February 3, 2005, he claimed that he was entitled to reimbursement for a full day in Albany on February 2, 2005 and a partial day in Albany on February 3, 2005. The State Assembly reimbursed McLAUGHLIN for the full amount that he sought.

c. McLAUGHLIN met with Officer 1 and Officer 2 on or about February 16, 2005. During the conversation, McLAUGHLIN instructed that when Officer 2 drove up to Albany later that

week, he should use McLAUGHLIN's E-ZPass on the way there and then use Officer 2's own E-ZPass on the way back. That way, McLAUGHLIN stated, he could travel to Albany that Saturday and "bang them for two days' *per diem*." McLAUGHLIN then asked Officer 1 whether this was a good plan. In response, Officer 1 stated: "My tax dollars hard at work." Through a voucher that McLAUGHLIN executed, and certified as being true and correct, on or about February 19, 2005, he claimed that he was entitled to reimbursement for full days in Albany on February 17 and 18, 2005 and for a partial day in Albany on Saturday, February 19, 2005. The State Assembly reimbursed McLAUGHLIN for the full amount that he sought.

Mail Fraud

104. In or about November of 2003 and in or about February of 2005, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, together with others known and unknown, unlawfully, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud the State of New York, and to obtain money and property by means of false and fraudulent pretenses, representations and promises, caused mail matter to be delivered by the United States Postal Service according to the direction thereon, for the purpose of executing such scheme and artifice, to wit, the mailing of vouchers dated November 25, 2003, February 3, 2005, and February

19, 2005 seeking reimbursements, on a *per diem* basis, for days that McLAUGHLIN purportedly spent attending to legislative business in Albany, New York, when, in fact, on certain of those days, McLAUGHLIN was not in Albany, as well as the mailing of reimbursement payments based on such vouchers, in violation of Title 18, United States Code, Sections 1341 and 2.

RACKETEERING ACT TWELVE
Mail Fraud
(The William Jefferson Clinton Democratic Club of Queens)

105. As stated above, the William Jefferson Clinton Democratic Club of Queens, Inc. (the "Clinton Club" or the "Club") raised funds and held events to support candidates for public office, and to promote the objectives of the Democratic Party.

106. Members of the Clinton Club paid a small fee, as dues, to belong to the Club and to support its activities. The Clinton Club also solicited and received contributions by mail, and by raising funds through annual events, such as an awards dinner. Contributors to the Clinton Club included the CLC, the J Division, McLAUGHLIN's Campaign Committee, and Street Lighting Contractors.

107. The Clinton Club maintained a checking account to hold and expend funds for the benefit of the Club. The checkbook for that account, as well as other bank records, were typically kept at McLAUGHLIN's District Office. Members of McLAUGHLIN's

legislative staff, including his Chief Of Staff, also performed administrative work to plan and conduct Clinton Club activities.

108. As alleged above, in or around 2002, at McLAUGHLIN's direction, Officer 3 was appointed to serve as the Treasurer of the Clinton Club, and he became a signatory for the Club's checking account. Officer 3 had no significant interest in politics and did not seek to play an active role in Clinton Club affairs; nonetheless, he agreed to serve as the Club's Treasurer because McLAUGHLIN instructed him to do so. After Officer 3 became the Treasurer of the Clinton Club, at the direction of McLAUGHLIN or members of McLAUGHLIN's District Office staff, Officer 3 regularly signed blank checks written on the Clinton Club's account. In signing his name to such checks, Officer 3 had no knowledge regarding how the checks would be completed; specifically, he did not have any information regarding the intended recipients of the checks or the dollar amounts to be paid. Moreover, Officer 3 never received or reviewed bank records or other financial documents relating to the Clinton Club checking account. As a result, he never learned how the Clinton Club checks had been filled out, or how the Club had spent its funds.

109. Between in or around September of 2004 and in or around September of 2005, through a series of transactions, McLAUGHLIN, with assistance from others, took steps to misappropriate more

than $19,000 from the Clinton Club, and to use those funds for purposes unrelated to the Clinton Club's goals and activities. Specific instances of conduct that McLAUGHLIN and others took to further this scheme included the following:

a. On or about September 14, 2004, during a conversation between Officer 2 and McLAUGHLIN, McLAUGHLIN expressed anger and surprise that his Chief Of Staff had not given Officer 2 a Clinton Club check in the amount of $7,500. McLAUGHLIN further indicated that he intended for Officer 2 to use proceeds from such a check to purchase a money order, which Officer 2 should then send to the Albany Property Company. After Officer 2 indicated that he had not received a check from the Chief Of Staff, McLAUGHLIN contacted the Chief Of Staff by telephone and told her that she was supposed to have given Officer 2 a check for $7,500 from the Clinton Club. McLAUGHLIN then instructed the Chief Of Staff to meet Officer 2 at the District Office the following morning, so that she could take care of this. After ending his telephone conversation with the Chief Of Staff, McLAUGHLIN continued to speak with Officer 2, and they discussed how Officer 2 would cash a Clinton Club check made out to Officer 2 in an amount of $7,500. McLAUGHLIN then instructed Officer 2 (1) to use $750 of the proceeds from this check to obtain a money order, (2) to send the money order to the

Albany Property Company, in order to pay McLAUGHLIN's rent, and (3) to give the remaining $6,750 to McLAUGHLIN.

b. On or about the following day, September 15, 2004, Officer 2 complied with McLAUGHLIN's instructions. He picked up a Clinton Club check made out to him, in an amount of $7,500, from the Chief Of Staff. He then cashed it at a bank, purchased a money order for $750, and sent the money order, by mail, to the Albany Property Company. Officer 2 then met with McLAUGHLIN and provided him with the funds that remained from the $7,500 Clinton Club check – which amounted to approximately $6,748, because of a small fee that Officer 2 had paid to purchase the money order.

c. In or about late September of 2004, on McLAUGHLIN's instructions, a check for $2,000 was given to McLAUGHLIN's Daughter-In-Law, who, as alleged above, married one of McLAUGHLIN's sons the previous month. The memo line on the check read "Data Entry," to create the false impression that the Daughter-In-Law had performed that type of work for the Clinton Club. In fact, the Daughter-In-Law performed no work for the Clinton Club, and McLAUGHLIN caused this check to be written for purely personal purposes. Similarly, as alleged above, between in or about June of 2004 and in or about August of 2004, the Daughter-In-Law also received monthly payments of $5,000 from McLAUGHLIN's Campaign Committee, purportedly for performing consulting services, when, in fact, she performed no such

services and received those payments for purely personal purposes.

d. On or about July 13, 2005, during a meeting at the District Office, the Chief Of Staff, acting on instructions from McLAUGHLIN, filled out and then gave Officer 2 two checks written on the Clinton Club's account: one check was for an amount of $1,075 and was dated July 5, 2005; the other check was for an amount of $1,500 and was dated July 7, 2005. The Chief Of Staff told Officer 2 that McLAUGHLIN had instructed her to use these dates, and that she did not know why Officer 2 was receiving two checks, as opposed to one. Officer 2 then asked McLAUGHLIN, who had arrived at the District Office, whether Officer 2 should cash the checks that he had received from the Chief Of Staff. McLAUGHLIN answered affirmatively. Officer 2 then left the District Office and cashed the checks. Later that day, he returned to the District Office and gave the proceeds, in a total amount of $2,575, to the Chief Of Staff.

e. On or about July 25, 2005, Officer 2 met with the Chief Of Staff at the District Office. During the conversation, the Chief Of Staff indicated that she was carrying out instructions from McLAUGHLIN, who was in Chicago at the time, attending a conference. The Chief Of Staff provided Officer 2 with a Clinton Club check dated July 25, 2005, made out to Officer 2 in an amount of $2,000. They then discussed the need

for Officer 2 to obtain money orders, from two different post offices, with proceeds from the check, so that the money orders could be sent to a bank that McLAUGHLIN had identified to the Chief Of Staff. A short time later, Officer 2 cashed the Clinton Club check, bought two money orders, each for $1,000, and returned the money orders to the Chief Of Staff. The Chief Of Staff then filled out the money orders and caused them to be sent, by mail, to the bank that McLAUGHLIN had identified. That bank administered a credit card account, held in McLAUGHLIN's name, for a chain of retail stores that sold appliances and electronics. The money orders that Officer 2 purchased with Clinton Club funds, which the Chief Of Staff then sent to this bank, provided a partial payment for a plasma television, along with a charge for the installation of that television, that McLAUGHLIN had purchased from this electronics store on or about April 25, 2005, using his store credit card. That television was not purchased or used for purposes relating to the Clinton Club. Instead, on McLAUGHLIN's instructions, it was delivered to and installed at the home of Friend 2, because McLAUGHLIN wanted to give her a new television.

f. On or about August 4, 2005, McLAUGHLIN sent a fax from the CLC to Officer 3, transmitting a notice for the Clinton Club's annual summer picnic and a note to see McLAUGHLIN regarding that subject. McLAUGHLIN then spoke to Officer 3 and

directed him to issue a check to the Clinton Club from the SLA account, in the amount of $2,500. Officer 3 complied with McLAUGHLIN's instructions and issued such a check on or about the following day.

g. On or about August 12, 2005, McLAUGHLIN contacted Officer 2 by telephone. During their conversation, McLAUGHLIN indicated that he had an "assignment" for Officer 2, and he directed Officer 2 to contact Foreman 1 in order to receive further instructions. On or about August 15, 2005, Officer 2 met with Foreman 1, and Foreman 1 provided Officer 2 with a check for $2,000 drawn on the Clinton Club's account and made out to cash. Foreman 1 explained that McLAUGHLIN wanted Officer 2 to cash the check, and he also stated that McLAUGHLIN had bills to pay. Officer 2 and Foreman 1 then went to the bank where the Clinton Club maintained its checking account. Officer 2 cashed the check and then gave the $2,000 to Foreman 1. On or about the same date, at McLAUGHLIN's direction, Foreman 1 cashed an additional check drawn on the Clinton Club's account and made out to cash, in an amount of $1,400. Foreman 1 then returned the combined proceeds from these checks either directly to McLAUGHLIN or to McLAUGHLIN's Chief Of Staff, for delivery to McLAUGHLIN.

h. On or about September 9, 2005, Officer 2 received a telephone call from the Chief Of Staff. During this conversation, which was recorded, the Chief Of Staff indicated

that McLAUGHLIN wanted Officer 2 to cash a $2,000 check drawn on the Clinton Club account. Officer 2 agreed to do so. On or about September 12, 2005, Officer 2 picked up the check from the Chief Of Staff at the District Office. As the Chief Of Staff had told Officer 2, the check was written on a Clinton Club account in an amount of $2,000. After cashing the check, Officer 2 returned the $2,000 in cash to the Chief Of Staff, and they counted out the currency.

110. The funds that McLAUGHLIN received through the transactions described in the previous paragraph were not used to pay for, or to reimburse McLAUGHLIN for, expenses incurred for the benefit of the Clinton Club.

Mail Fraud

111. From in or about September of 2004 through in or about September of 2005, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, together with others known and unknown, unlawfully, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud the William Jefferson Clinton Democratic Club of Queens and its contributors, and to obtain money and property by means of false and fraudulent pretenses, representations and promises, caused mail matter to be delivered by the United States Postal Service according to the direction thereon, for the purpose of executing such scheme and artifice, to wit, the mailing of

materials intended to raise funds for the Clinton Club, the mailing of contributions and payments intended to benefit the Clinton Club and support its legitimate purposes, and the mailing of money orders purchased with Clinton Club funds, in violation of Title 18, United States Code, Sections 1341 and 2.

RACKETEERING ACT THIRTEEN
Taft-Hartley Act Violation
(Unlawful Payments From Company 1)

112. Company 1 was a Street Lighting Contractor. In or about 1998, Company 1 submitted a bid to the New York City Department of Transportation ("DOT") for a contract to maintain and repair street lights in the borough of Staten Island. Due to an error in calculating its bid, Company 1 submitted a figure that was not adequate to meet its anticipated costs of performing the job. After Company 1 was identified as the low bidder for the contract, it recognized its error and sought permission from the City to withdraw its bid. The City denied that request. As a result, Company 1 was awarded the contract and faced the prospect of sustaining a substantial financial loss in performing the job.

113. The principal executive of Company 1 ("C1-1") then met with McLAUGHLIN, and they reached an agreement under the terms of which the J Division would allow Company 1 to employ fewer J Division members to perform the Staten Island street lighting maintenance contract, in exchange for which Company 1 would,

among other things, make a series of payments to McLAUGHLIN. The nature and purpose of those payments, it was understood, would be concealed by using Officer 2 as an intermediary to receive the payments from Company 1 and to pass along the proceeds to McLAUGHLIN. At the time, Officer 2 was employed at Company 1 as the general foreman responsible for street lighting work. After C1-1 reached this agreement with McLAUGHLIN, he informed another Company 1 executive ("C1-2") of the arrangement. C1-2, who was actively involved in running the company's operations, then assumed responsibility for issuing checks to Officer 2, with the understanding that the payments were intended for, and were being forwarded to, McLAUGHLIN.

114. Beginning in or about the spring of 1998, Company 1 began making payments to McLAUGHLIN by issuing two types of checks to Officer 2, in accordance with the agreement between C1-1 and McLAUGHLIN. As one form of payment, Company 1 provided Officer 2 with a check for approximately $2,400 on a monthly basis. To conceal the nature of those payments, false invoices were generated to create the appearance that Company 1 was reimbursing Officer 2 for expenses that Officer 2 incurred to purchase electrical components used in street lights. During the same period, as a second form of payment, Company 1 regularly provided Officer 2 with additional checks, generally in amounts of $5,000, which were labeled and accounted for to create the

false appearance that Officer 2 was receiving bonuses. Both types of such payments continued throughout the period in which Company 1 was performing the street lighting maintenance contract for Staten Island, which was completed in or about early 2000. Over the course of that contract, Officer 2 cashed the checks that he received from Company 1, and he either provided the proceeds to McLAUGHLIN or used the funds as McLAUGHLIN directed. For example, on McLAUGHLIN's instructions, Officer 2 at times used proceeds from the checks for approximately $2,400 to make McLAUGHLIN's car payments.

115. Prior to the expiration of the Staten Island contract referred to above, McLAUGHLIN sent a message to C1-2, through Officer 2, encouraging Company 1 to participate in the bidding process for the upcoming round of City street lighting contracts. In or about November of 1999, Company 1 submitted bids for such contracts covering the boroughs of Staten Island and Manhattan. Based on C1-2's knowledge that Company 1 could substantially reduce its labor costs by making payments to McLAUGHLIN, C1-2 lowered his projected labor expenses for performing these jobs, which reduced the overall bid figures that Company 1 submitted to DOT. In or about 2000, Company 1 was identified as the low bidder and was awarded the street lighting maintenance contracts for Staten Island and Manhattan.

116. C1-2 then proposed to Officer 2 that the agreement between Company 1 and McLAUGHLIN – which, at the time, remained in effect – be extended through the term of the upcoming contracts. Officer 2 communicated that proposal to McLAUGHLIN, who agreed to continue accepting payments from Company 1 in exchange for allowing the Company to employ fewer J Division members. McLAUGHLIN added the condition, however, that because Company 1 would be reducing its labor costs for work that would occur in two boroughs, not just one, the amount of the payments would have to increase. Officer 2 communicated McLAUGHLIN's position to C1-2, who agreed to those terms.

117. Consequently, beginning in or about 2000, and continuing through in or about 2002, Company 1 continued making regular payments to McLAUGHLIN by issuing the same types of checks to Officer 2. As agreed, the amounts of those payments increased. Accordingly, during the two-year term of the Manhattan and Staten Island contracts, Officer 2 received monthly payments that totaled between approximately $4,400 and $4,800, as compared to the payments of approximately $2,400 that Company 1 had made previously; the purpose of these payments was concealed, in the same manner as it had been during the prior contract, as reimbursements to Officer 2 for his purchase of street lighting components. Company 1 also provided Officer 2 with more frequent payments of $5,000, which, as before, were falsely characterized

as “bonuses.” During this time period, Officer 2 continued to provide all of the proceeds from the $5,000 “bonus” checks to McLAUGHLIN, or to use those funds for McLAUGHLIN’s benefit in accordance with McLAUGHLIN’s instructions. McLAUGHLIN did allow Officer 2 to keep a share of the increased proceeds from the checks disguised as reimbursements; the amount of money that Officer 2 obtained in that manner, however, was not enough to compensate him for the additional taxes that he owed as a result of the numerous “bonuses” that he received, ostensibly as additional income, from Company 1.

118. In or about March of 2002, prior to the expiration of the street lighting maintenance contracts for Staten Island and Manhattan that had commenced in or about 2000, McLAUGHLIN and Officer 2 met with C1-2. During the meeting, McLAUGHLIN advised C1-2 that although Company 1 had not been awarded one of the City street lighting contracts that was scheduled to commence that year, McLAUGHLIN still expected to receive the payments that he was owed during the remaining time that Company 1's existing contracts were in effect.

119. During the same time period, Officer 2 met separately with C1-2 and, at McLAUGHLIN’s direction, advised C1-2 that in order to make the final payments that Company 1 owed to McLAUGHLIN under the terms of the agreement, C1-2 could either make a single cash payment of $15,000, or, alternatively, C1-2

could provide Officer 2 with (1) a personal check for $6,200 made out to McLAUGHLIN's Campaign Committee, (2) a check from C1-1 for $6,200 made out to McLAUGHLIN's Campaign Committee, (3) a regular monthly payment to Officer 2 of $4,600, and (4) a check for $6,000 made out to a scholarship fund.

120. On or about May 16, 2002, Officer 2 met with C1-2. During the meeting, C1-2 provided Officer 2 with a personal check for $6,200. Officer 2 asked C1-2 to make the check payable to Officer 2, rather than to McLAUGHLIN's Campaign Committee, and C1-2 complied with that request. C1-2 also provided Officer 2 with a cash payment of $4,500, in place of the monthly check that Officer 2 had typically received from Company 1. Finally, C1-2 wrote a check in the amount $6,000, for the scholarship fund that Officer 2 had mentioned previously. Officer 2 instructed C1-2 to make this check payable to the SLA, and C1-2 did so. C1-1 was present during part of this meeting, and he informed Officer 2 that he had forgotten his check for McLAUGHLIN's Campaign Committee but would provide it soon. Officer 2 thanked C1-2 for making these payments and said that it would take the pressure off of his shoulders.

121. On or about May 23, 2002, C1-2 provided Officer 2 with a check from C1-1 for $3,000 made out to McLAUGHLIN's Campaign Committee. As stated above, Officer 2 had previously indicated that this check should be written for an amount of $6,200.

During their meeting, Officer 2 advised C1-2 that C1-2 could make up for this shortfall by writing a check for $3,000 made out to the EAA. C1-2 complied with that request and provided Officer 2 with such a check, which Officer 2 then deposited into the EAA Bank-2 Account. As alleged above, the funds withdrawn from that account were used for McLAUGHLIN's personal benefit, and not for the legitimate purposes of the EAA.

122. Between in or about 1998 and in or about 2002, through the conduct described above, Company 1 and its executives made payments to Officer 2 – and ultimately, to McLAUGHLIN – totaling more than $350,000.

Taft-Hartley Act Violation

123. Between in or about 1998 and in or about 2002, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, and others known and unknown, unlawfully, willfully, and knowingly, being representatives of employees who were employed in an industry affecting commerce, and being officers and employees of a labor organization which represented, sought to represent, and would admit to membership employees who were employed in an industry affecting commerce, did request, demand, receive, and accept, and agree to receive and accept, a payment, loan, and delivery of money and other things of value, from an employer of such employees and persons acting in the interest of such an employer, to wit, proceeds from checks that

Company 1 and its executives provided to Officer 2, who received such payments as an intermediary for McLAUGHLIN, and payments that Officer 2 made for McLAUGHLIN's benefit using proceeds from such checks, in violation of Title 29, United States Code, Sections 186(a)(1), (a)(2), (b)(1), and (d)(2), and Title 18, United States Code, Section 2.

RACKETEERING ACTS FOURTEEN and FIFTEEN
Taft-Hartley Act Violations
(Receipt Of Things Of Value From Company 2)

124. Company 2 was a Street Lighting Contractor. In or about February 2004, through the actions of one or more individuals acting in the interest of Company 2, Company 2 agreed to provide McLAUGHLIN with a new Ford Crown Victoria automobile.

125. On or about February 5, 2004, a J Division member who worked as a foreman at Company 2 ("Foreman 3") contacted Officer 2 by telephone. During their conversation, Foreman 3 indicated that the Crown Victoria might be ready to be picked up the following day. Foreman 3 further indicated that the only people who were aware of this taking place, aside from Officer 2 and Foreman 3, were the principal owner of Company 2 and another Company 2 official.

126. On or about February 6, 2004, Officer 2 and Foreman 3 picked up a new Crown Victoria from a car dealership located in Queens, and they delivered the car to McLAUGHLIN's office at the

CLC. The total purchase price listed for the car exceeded $32,000.

127. On or about February 7, 2004, McLAUGHLIN drove the Crown Victoria to the J Division's annual dinner-dance. At that event, McLAUGHLIN instructed Officer 2 to notify Foreman 3 that the car did not have a registration sticker or an E-ZPass device, and that Foreman 3 should attend to those matters as soon as possible. McLAUGHLIN related similar instructions to Officer 2 the following day, when they spoke on the telephone.

128. On or about February 11, 2004, McLAUGHLIN met with Officer 2. During the conversation, McLAUGHLIN expressed alarm regarding anonymous letters that had been sent to news agencies, which contained allegations that McLAUGHLIN had engaged in various kinds of criminal misconduct. In discussing the ramifications of these allegations, and the inquiries they had prompted, McLAUGHLIN addressed the subject of the Crown Victoria that he had recently received from Company 2. Specifically, he instructed Officer 2 to drive the car to Albany with Foreman 3, and to leave it in the garage of an apartment that McLAUGHLIN rented in that area. In handling this matter, McLAUGHLIN stated, Officer 2 could not speak on the telephone and could not delegate the assignment to anyone else. On or about February 12, 2004, in accordance with McLAUGHLIN's instructions, Officer 2 and Foreman

3 drove the Crown Victoria to Albany and parked it in a closed garage at McLAUGHLIN's residence.

129. Because of McLAUGHLIN's continuing concerns, in the aftermath of the anonymous letters circulated in or about February of 2004, that his illegal activities might be detected, he decided to return the Crown Victoria to Company 2. On or about April 2, 2004, McLAUGHLIN met with Officer 2 and Foreman 3 so that they could retrieve the car from the garage of his apartment in the Albany area. In discussing this subject, McLAUGHLIN described an explanation that he could provide to Company 2 officials, so that he would not have to disclose his real reasons for returning the car, and so his decision to do so would not cause them to become concerned. On or about April 2, 2004, Officer 2 and Foreman 3 retrieved the Crown Victoria from McLAUGHLIN's garage in Albany and returned it to Company 2. During the same time period, McLAUGHLIN used funds from his Campaign Committee to obtain another Crown Victoria, which closely resembled the car that he had received from Company 2.

130. From in or about the fall of 2005, and continuing up to and including early 2006, McLAUGHLIN also received monetary payments from an official at Company 2. On or about October 18, 2005, McLAUGHLIN provided Officer 1 with approximately $2,000 in cash, indicating that this was part of a larger amount of money that McLAUGHLIN had received from the principal owner of Company

2 (“C2-O”). That same day, McLAUGHLIN indicated to Officer 1 that, in addition to other arrangements with Company 2, he expected to receive payments from C2-O every other month in connection with a traffic signal maintenance contract that Company 2 was scheduled to commence. McLAUGHLIN indicated that he intended to share a portion of this money with Officer 1.

131. In the months that followed, McLAUGHLIN received additional payments from C2-O. On or about November 28, 2005, at about the same time that Company 2 was scheduled to begin work on a two-year contract to maintain traffic signals in three boroughs of New York City, McLAUGHLIN met with Officer 1 and gave him $4,000 in cash. McLAUGHLIN told Officer 1 that this was part of a larger payment that McLAUGHLIN had received from C2-O. Similarly, on or about February 1, 2006, McLAUGHLIN again met with Officer 1, handed him a bag containing $4,000 in cash, and again confirmed that this cash was a portion of a larger amount that C2-O had given to McLAUGHLIN.

RACKETEERING ACT FOURTEEN
Taft-Hartley Act Violation
(The Ford Crown Victoria Purchased By Company 2)

132. The allegations contained in paragraphs 124 through 129 above are re-alleged and incorporated as though fully set forth herein.

133. Between in or about February of 2004 and in or about April of 2004, in the Southern District of New York and

elsewhere, BRIAN M. McLAUGHLIN, the defendant, unlawfully, willfully, and knowingly, being a representative of employees who were employed in an industry affecting commerce, and being an employee of a labor organization which represented, sought to represent, and would admit to membership employees who were employed in an industry affecting commerce, did request, demand, receive, and accept, and agree to receive and accept, a payment, loan, and delivery of money and other things of value, from an employer of such employees and persons acting in the interest of such an employer, to wit, a new Ford Crown Victoria automobile that was paid for by Company 2, in violation of Title 29, United States Code, Sections 186(a)(1), (a)(2), (b)(1), and (d)(2) and Title 18, United States Code, Section 2.

RACKETEERING ACT FIFTEEN
Taft-Hartley Act Violation
(Monetary Payments From Company 2)

134. The allegations contained in paragraphs 130 through 131 above are re-alleged and incorporated as though fully set forth herein.

135. Between in or about October of 2005 and in or about February of 2006, in the Eastern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, unlawfully, willfully, and knowingly, being a representative of employees who were employed in an industry affecting commerce, and being an employee of a labor organization which represented, sought to

represent, and would admit to membership employees who were employed in an industry affecting commerce, did request, demand, receive, and accept, and agree to receive and accept, a payment, loan, and delivery of money and other things of value, from an employer of such employees and persons acting in the interest of such an employer, to wit, a series of monetary payments from an official of Company 2, in violation of Title 29, United States Code, Sections 186(a)(1), (a)(2), (b)(1), and (d)(2) and Title 18, United States Code, Section 2.

RACKETEERING ACTS SIXTEEN and SEVENTEEN
Taft-Hartley Act Violations
(Unlawful Receipt Of Things Of Value From Company 3)

136. Company 3 was a Street Lighting Contractor. As alleged below, McLAUGHLIN used his position as the Local 3 Business Representative for the J Division to obtain things of value from Company 3, including two automobiles and work performed for McLAUGHLIN's benefit at Company 3 expense.

RACKETEERING ACT SIXTEEN
Taft-Hartley Act Violation
(The Company 3 Car Provided To Friend 1)

137. Foreman 2 was employed as a foreman at Company 3 since the early 1990s. Like other J Division foremen, and as required under the collective bargaining agreements between the J Division and contractors employing J Division members, Foreman 2 was assigned a company car. J Division foremen frequently used such cars for work-related purposes, because they were responsible for

monitoring the performance of street lighting and traffic signal work in various parts of New York City.

138. In or about the spring of 2000, the Company 3 car that was assigned to Foreman 2 was delivered to Friend 1, at McLAUGHLIN's direction. Friend 1 drove that car for approximately a year and a half, until about the end of 2001.

139. Between in or about May of 2000 until in or about December of 2001, in the Eastern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, unlawfully, willfully, and knowingly, being a representative of employees who were employed in an industry affecting commerce, and being an employee of a labor organization which represented, sought to represent, and would admit to membership employees who were employed in an industry affecting commerce, did request, demand, receive, and accept, and agree to receive and accept, a payment, loan, and delivery of money and other things of value, from an employer of such employees and persons acting in the interest of such an employer, to wit, a vehicle owned by Company 3, which, at McLAUGHLIN's direction, was taken from Foreman 2 and provided to Friend 1, in violation of Title 29, United States Code, Sections 186(a)(1), (a)(2), (b)(1), and (d)(2) and Title 18, United States Code, Section 2.

RACKETEERING ACT SEVENTEEN
Taft-Hartley Act Violation
(Work For McLaughlin's Personal Benefit)

140. Between in or about November 2004 and in or about January 2006, Officer 2 worked as a general foreman at Company 3. In that capacity, he oversaw other foreman, as well as crews of J Division members, who performed street lighting work. In addition, as alleged above, Foreman 2 was employed as a foreman at Company 3 since the early 1990s.

141. McLAUGHLIN regularly demanded and received services from foremen and other union members employed by Company 3, including Officer 2 and Foreman 2. At McLAUGHLIN's behest, these J Division members regularly took time during their shifts, when they were receiving compensation from Company 3, to perform a wide variety of personal tasks for McLAUGHLIN, members of his family, and others with whom he had personal relationships. Some of these assignments included: doing major and minor construction projects; installing and removing appliances; painting; changing light bulbs; hanging picture frames; shoveling snow; hanging Christmas lights; fixing plumbing; removing garbage; changing locks; cleaning out a barn; searching for and capturing one or more rodents in McLAUGHLIN's basement; and moving furniture and household items in Albany and Queens, using Company 3 equipment. Moreover, on a weekly and sometimes daily basis, McLAUGHLIN used

Officer 2 and others to perform innumerable personal chores. Examples of this conduct include the following:

a. on or about November 16, 2004, Officer 2, at McLAUGHLIN's request, drove McLAUGHLIN's daughter to a car dealer where her car was being serviced;

b. in or about December 2004, Foreman 2, at McLAUGHLIN's request, performed maintenance work at the home of Friend 1;

c. on or about January 7, 2005, Officer 2, at McLAUGHLIN's request, picked up Tylenol, prescription medication, and soup for McLAUGHLIN's son and delivered those things to McLAUGHLIN's residence;

d. on or about February 17, 2005, Officer 2 and another employee of Company 3, at McLAUGHLIN's request, drove to Albany and used McLAUGHLIN's E-ZPass to create a false record that McLAUGHLIN was attending to legislative business outside his district;

e. in or about April of 2005, Foreman 2, at McLAUGHLIN's request, did painting work at the residence of Friend 1;

f. in or about May 5, 2005, Officer 2, at McLAUGHLIN's request, picked up McLAUGHLIN's clothes at the dry cleaners and took his car to the car wash;

g. in or about May 13, 2005, Officer 2, at McLAUGHLIN's request, took McLAUGHLIN's dog to the veterinarian;

h. on or about June 1, 2005, Officer 2, Foreman 2, and another union member employed by Company 3, at McLAUGHLIN's request, performed work at McLAUGHLIN's Nissequogue Residence, including disassembling and moving a gas grill;

i. on or about June 29, 2005, Officer 2 and three other employees of Company 3, on McLAUGHLIN's instructions, and using a truck owned by Company 3, moved furniture from McLAUGHLIN's Albany residence to a storage facility in Albany and to McLAUGHLIN's residence in Queens;

j. on or about September 26, 2005, an employee of Company 3, at McLAUGHLIN's request (as relayed by Officer 2), picked up McLAUGHLIN's shoes at a shoe-shine shop; and

k. on or about November 7, 2005, Officer 2, at McLAUGHLIN's request, drove McLAUGHLN's wife's Mercedes-Benz to the vehicle repair shop at Company 3, where Company 3 employees performed repairs and body work on the car.

Taft-Hartley Act Violation

142. Between in or about November of 2004 until at least in or about January of 2006, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, unlawfully, willfully, and knowingly, being a representative of employees who were employed in an industry affecting commerce, and being an

employee of a labor organization which represented, sought to represent, and would admit to membership employees who were employed in an industry affecting commerce, did request, demand, receive, and accept, and agree to receive and accept, a payment, loan, and delivery of money and other things of value, from an employer of such employees and persons acting in the interest of such an employer, to wit, the regular and continuing services of union members employed at Company 3, for McLAUGHLIN's personal use and benefit, during times when those employees would have otherwise been working for, and were receiving compensation from, Company 3, in violation of Title 29, United States Code, Sections 186(a)(1), (a)(2), (b)(1), and (d)(2) and Title 18, United States Code, Section 2.

RACKETEERING ACTS EIGHTEEN through TWENTY
Taft-Hartley Act Violations
(Unlawful Requests For And Receipt Of Payments And Other Things of Value From Company 4)

143. Company 4 was a Street Lighting Contractor. From in or about the summer of 2002 until in or about October 2004, Company 4 held the street lighting maintenance contracts for the boroughs of Brooklyn and Manhattan. Officer 2 was employed as a full-time general foreman at Company 4 while those contracts were in effect. During that time period, McLAUGHLIN received monetary payments from Company 4; he requested a new car from Company 4; and he unlawfully used the services of Officer 2 for his personal benefit.

144. The President of Company 4 ("C4-P") agreed to pay McLAUGHLIN bribes in the amount of $50,000 over the course of the street lighting maintenance contract that Company 4 held between in or about 2002 and in or about 2004. On or about February 13, 2004, McLAUGHLIN advised Officer 2 that he had already received "probably like, right now thirty grand," but that "when [C4-P]'s all done it's supposed to be fifty."

145. In addition to these monetary payments, McLAUGHLIN also requested a car from Company 4. In or about October of 2003, McLAUGHLIN asked Officer 2 to ask C4-P to transfer ownership of a white Ford Explorer from Company 4 to Officer 2, so that Officer 2 could give the car to McLAUGHLIN. On or about December 9, 2003, McLAUGHLIN told Officer 2 that C4-P should instead give McLAUGHLIN a new car, so that Officer 2 could keep the Ford Explorer for himself.

146. On or about January 9, 2004, during a meeting between Officer 2 and C4-P, C4-P expressed a desire to meet with McLAUGHLIN regarding Company 4's interest in continuing and expanding its work in street lighting and traffic signal maintenance. In response, Officer 2 told C4-P that McLAUGHLIN was still mentioning the vehicle that McLAUGHLIN wanted from Company 4. C4-P advised Officer 2 that McLAUGHLIN should speak directly with C4-P about these matters.

147. In addition, McLAUGHLIN regularly requested and received services from Officer 2 on a weekly, and sometimes daily, basis, during periods of time when Officer 2 would have otherwise been working for Company 4, and was receiving compensation from Company 4, as a general foreman. Between in or about 2000 and in or about October 2004, McLAUGHLIN used Officer 2 as his personal assistant and valet, calling upon Officer 2 to perform a wide variety of tasks, including: servicing vehicles for McLAUGHLIN and McLAUGHLIN's family members; acting as a chauffeur for McLAUGHLIN, his family, and others with whom he had a personal relationship; and providing courier services for McLAUGHLIN. Specific examples of this conduct include the following:

a. on or about October 24, 2003, Officer 2, at McLAUGHLIN's request, drove McLAUGHLIN's Jeep Grand Cherokee to be serviced;

b. on or about October 30, 2003, Officer 2, at McLAUGHLIN's request, picked up medication for McLAUGHLIN at a pharmacy and delivered it to McLAUGHLIN;

c. on or about November 24, 2003, Officer 2, at McLAUGHLIN's request, drove to Albany to pick up a package, and used McLAUGHLIN's E-Zpass on his return trip to create a false record that McLAUGHLIN was attending to legislative business in Albany;

d. on or about December 2, 2003, Officer 2, at McLAUGHLIN's request, delivered a cash payment to Friend 1;

e. on or about January 7, 2004, Officer 2, at McLAUGHLIN's request, delivered a package to Friend 2;

f. on or about January 22, 2004, Officer 2, at McLAUGHLIN's request, drove McLAUGHLIN's vehicle to be serviced and washed;

g. on or about March 9, 2004, Officer 2, at McLAUGHLIN's request, picked up and delivered McLAUGHLIN's medication;

h. on or about March 31, 2004, Officer 2, at McLAUGHLIN's request, drove Friend 1 to the airport;

i. on or about May 13, 2004, Officer 2, at McLAUGHLIN's request, performed housework at McLAUGHLIN's residence;

j. on or about June 7, 2004, Officer 2, at McLAUGHLIN's request, delivered cash to McLAUGHLIN's wife;

k. on or about August 9, 2004, Officer 2, at McLAUGHLIN's request, drove McLAUGHLIN to the airport;

l. on or about September 9, 2004, Officer 2, at McLAUGHLIN's request, drove McLAUGHLIN's wife to the eye doctor; and

m. on or about October 7, 2004, Officer 2, at McLAUGHLIN's request, delivered a cash payment to Friend 1.

RACKETEERING ACT EIGHTEEN
Taft-Hartley Act Violation
(Monetary Payments From Company 4)

148. The allegations contained in paragraphs 143 through 144 above are re-alleged and incorporated as though fully set forth herein.

149. Between in or about 2002 and in or about February of 2004, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, unlawfully, willfully, and knowingly, being a representative of employees who were employed in an industry affecting commerce, and being an employee of a labor organization which represented, sought to represent, and would admit to membership employees who were employed in an industry affecting commerce, did request, demand, receive, and accept, and agree to receive and accept, a payment, loan, and delivery of money and other things of value, from an employer of such employees and persons acting in the interest of such an employer, to wit, approximately $30,000 from Company 4 and C4-P, in violation of Title 29, United States Code, Sections 186(a)(1), (a)(2), (b)(1), and (d)(2) and Title 18, United States Code, Section 2.

RACKETEERING ACT NINETEEN
Taft-Hartley Act Violation
(The Company 4 Car Assigned To Officer 2)

150. The allegations contained in paragraphs 145 through 146 above are re-alleged and incorporated as though fully set forth herein.

151. Between in or about October of 2003 and in or about March of 2004, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, unlawfully, willfully, and knowingly, being a representative of employees who were employed in an industry affecting commerce, and being an employee of a labor organization which represented, sought to represent, and would admit to membership employees who were employed in an industry affecting commerce, did request and demand a payment, loan, and delivery of money and other things of value, from an employer of such employees and persons acting in the interest of such an employer, to wit, a vehicle from Company 4, in violation of Title 29, United States Code, Sections 186(a)(1), (a)(2), (b)(1), and (d)(2) and Title 18, United States Code, Section 2.

RACKETEERING ACT TWENTY
Taft-Hartley Act Violation
(Work Performed For McLaughlin's Personal Benefit)

152. The allegations contained in paragraph 147 above are re-alleged and incorporated as though fully set forth herein.

153. Between in or about 2002 and in or about October 2004, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, unlawfully, willfully, and knowingly, being a representative of employees who were employed in an industry affecting commerce, and being an employee of a labor organization which represented, sought to represent, and would admit to membership employees who were employed in an industry affecting commerce, did request, demand, receive, and accept, and agree to receive and accept, a payment, loan, and delivery of money and other things of value, from an employer of such employees and persons acting in the interest of such an employer, to wit, the regular and continuing services of Officer 2, a union member and general foreman at Company 4, for McLAUGHLIN's personal use and benefit, during times when Officer 2 would have otherwise been working for, and was receiving compensation from, Company 4, in violation of Title 29, United States Code, Sections 186(a)(1), (a)(2), (b)(1), and (d)(2) and Title 18, United States Code, Section 2.

RACKETEERING ACT TWENTY-ONE
Labor Bribery
(The Film Lab)

154. In or about the spring of 2002, Foreman 1, along with a chiropractor (the "Chiropractor") with whom Foreman 1 operated chiropractic offices, made a substantial financial investment in a business that processed film used in the television and motion

picture industries (the “Film Lab”). Foreman 1 and the Chiropractor ultimately became shareholders of the Film Lab and held a combined ownership interest of more than 25 percent of the business.

155. In order to expand and operate the Film Lab, the owners of the business decided to construct a film processing facility in Manhattan. Foreman 1 discussed this venture with McLAUGHLIN, who agreed that he would direct J Division members to perform construction and electrical work for the Film Lab. Such union members, Foreman 1 and McLAUGHLIN understood, would continue to receive their salary from Street Lighting Contractors, so that the Film Lab and its owners would not have to compensate them for their labor. In return for this assistance, Foreman 1 agreed that he and the Chiropractor would finance the purchase of a new luxury car that would be driven by McLAUGHLIN’s wife.

156. In accordance with this understanding, in or about the summer of 2002, McLAUGHLIN and/or someone acting on his behalf directed J Division members to perform construction and electrical work to build a facility for the Film Lab in Manhattan. Those union members continued to be paid by Street Lighting Contractors, and they did not receive any additional compensation from anyone affiliated with the Film Lab. The J Division member referred to above as Foreman 2 worked on this project on a daily basis for several months.

157. In or about May of 2002, McLAUGHLIN and his wife purchased a Mercedes-Benz automobile for a price of more than $80,000. They owned the car jointly and registered it in the name of McLAUGHLIN's wife. The McLAUGHLINs financed the purchase of this Mercedes using the value of a trade-in and proceeds from a loan of approximately $71,000 that they obtained from a bank. The billing address for the car loan was listed as the address of a chiropractic office that Foreman 1 and the Chiropractor operated. Beginning in or about July of 2002, and continuing through in or about March of 2006, Foreman 1 and the Chiropractor made all of the payments on this car loan. Most of the payments consisted of checks signed by the Chiropractor that were drawn on two different bank accounts, each of which was held in the name of a chiropractic business that Foreman 1 and the Chiropractor operated; in addition, Foreman 1 made a small number of payments using checks drawn on a personal account. Between in or about July of 2002 and in or about March of 2006, the total amount of the payments that Foreman 1 and the Chiropractor made on the loan that financed the purchase of the McLAUGHLINs' Mercedes exceeded $61,000.

Bribe Receiving By A Labor Official

158. From in or about May of 2002 through in or about March of 2006, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, being a labor official, did

solicit, accept, and agree to accept a benefit from another person upon an agreement and understanding that such benefit would influence him in respect to his actions, decisions, and duties as a labor official, to wit, in exchange for causing members of the J Division to perform construction work for the Film Lab, at no expense to the Film Lab, McLAUGHLIN received the benefit of payments on a loan that financed the purchase of a car, in violation of New York State Penal Law Sections 180.10, 180.25 and 20.00.

RACKETEERING ACT TWENTY-TWO
Taft-Hartley Act Violation And Mail Fraud
(McLaughlin's Secret Interest In,
And Receipt Of Proceeds From, Company 5)

159. Company 5 is a corporation that is based in Chappaqua, New York. An individual who served as the President of Company 5 ("C5-P") formed the company in or about February of 1999. Since that time, Company 5 engaged in at least the following two types of business:

a. Company 5 served as a sales representative for a manufacturer (the "Manufacturer") that produced, among other things, electrical signs and signals. The Manufacturer employed members of Local 3 in accordance with collective bargaining agreements; the employees who worked for the Manufacturer were part of the electrical manufacturing division (called the "EM Division") of the Local, not the J Division. In or about December of 1997, the Manufacturer, which was based in the New

York City area, was acquired by a larger corporation that manufactured and distributed lighting equipment in various parts of the country. In the mid- and late 1990s – in anticipation of New York City's decision to replace all of its red and green traffic signals, as well as its pedestrian signs, with new components that would be illuminated with light emitting diodes ("LEDs"), rather than conventional bulbs – the Manufacturer developed, and made preparations to produce, LED units that could be used to perform such City contracts. Beginning in or about the late 1990s, and continuing through at least in or about 2002, C5-P, as the President of Company 5, helped the Manufacturer to market LED traffic signal lenses and pedestrian signs to the Street Lighting Contractors bidding on this work. Over the course of three multi-million dollar contracts, the first of which was awarded in or about 2000, New York City hired Street Lighting Contractors to install LED units in all of the City's traffic signals and pedestrian signs. Company 2 and Company 3, which obtained those City contracts, purchased LED products from the Manufacturer. For acting as the Manufacturer's sales representative, Company 5 received a commission that consisted of a percentage of the proceeds that the Manufacturer and its parent company earned from the sales of LED units that were used to perform City contracts. During the period of time when C5-P, through Company 5, served as the Manufacturer's sales

representative, C5-P and Company 5 were acting in the interests of the Manufacturer to market the Manufacturer’s LED products.

b. Company 5 also developed and distributed electrical components used in street lights. Street Lighting Contractors – including the entities referred to in this Indictment as Company 1, Company 2, Company 3, and Company 4 – purchased those components to perform contracts calling for the installation and maintenance of street lights throughout the City.

160. Prior to in or about February of 1999, when Company 5 was established, C5-P formed a business relationship with McLAUGHLIN and Officer 1. As part of that relationship, McLAUGHLIN and Officer 1 agreed to advance Company 5's commercial interests within the street lighting and traffic signal industry. In return, C5-P agreed to provide Officer 1 and McLAUGHLIN with half of Company 5's profits. McLAUGHLIN, Officer 1, and C5-P did not disclose this relationship and, to the contrary, took steps to ensure that it remained a secret.

161. After the formation of Company 5 in 1999, McLAUGHLIN and Officer 1 used their official positions in the J Division to promote Company 5's business interests in several ways, including the following:

a. In or about the fall of 1999, the City announced that a contract would be awarded to install LED units in place of

conventional red and green traffic signal bulbs, and in new pedestrian signs, in the boroughs of Staten Island and Queens. After three rounds of bidding – which occurred in or about December of 1999, June of 2000, and October of 2000 – that contract was awarded to Company 3. The next major LED contract, which called for the installation of LED units in traffic signals and pedestrian signs in the borough of Brooklyn, was awarded to Company 2 in or about October of 2001. The third and final major LED contract, which called for the installation of LED units in traffic signals and pedestrian signs in the boroughs of Manhattan and the Bronx, was awarded to Company 3 in or about December of 2002.

b. Beginning in or about 1999, prior to the time that bids were submitted for the first LED installation contract, and continuing through at least the fall of 2002, when bids were submitted for the last LED installation contract, McLAUGHLIN and Officer 1, directly and indirectly, exerted pressure on Street Lighting Contractors to purchase LED units from the Manufacturer, and not from competing suppliers. Prior to the submission of bids for the first LED contract, the prices that such competing suppliers were quoting to Street Lighting Contractors were substantially lower than the prices for LED units that the Manufacturer was quoting. However, as a result of statements that McLAUGHLIN and Officer 1 made, officials of Street Lighting

Contractors concluded that if they purchased LED units from a supplier other than the Manufacturer, they would run a significant risk of suffering adverse economic consequences as a result of actions that the J Division might take. For example, in some instances, McLAUGHLIN and/or Officer 1, either themselves or through an intermediary, advised company executives that if a contractor purchased LED units from a supplier other than the Manufacturer, the J Division members who worked for that contractor would not install the product. Under the standard terms of the contracts that Street Lighting Contractors entered into with the City, such companies faced the prospect that the City would impose severe financial penalties on them if they did not perform contracts in a timely manner.

c. Relatedly, when C5-P was quoting prices and conducting negotiations with Street Lighting Contractors, as the sales representative for the Manufacturer, he regularly sought and received direction from Officer 1 regarding the pricing levels that could be maintained without creating too great a risk that a contractor would decide, in spite of any concerns about the J Division's reaction, to purchase LED units from a lower cost supplier. For example, during a conversation that occurred on or about May 25, 2000, C5-P and Officer 1 discussed a specific price that could be quoted to Street Lighting Contractors, and C5-P asked Officer 1 whether they could "enforce" that position.

Officer 1 said that he did not know. He further instructed C5-P that if a particular company official threatened to use a different vendor, C5-P should tell the official to speak with McLAUGHLIN before taking such action. During a conversation that occurred a short time later, on or about June 6, 2000, C5-P asked for direction from Officer 1 regarding whether to increase the price that C5-P planned to quote to a Street Lighting Contractor. When Officer 1 expressed uncertainty, C5-P responded: "No, you gotta tell – you gotta give us some sense of what can be done and what can't be done." C5-P and Officer 1 then agreed on a pricing strategy.

d. During the second and third round of bidding for the first LED installation contract, C5-P, McLAUGHLIN, and Officer 1 further agreed that they would quote a lower price to Company 3 than to other Street Lighting Contractors, based on their belief that Company 3 would be a better customer that would pay for materials in a more timely manner, and that, as a result, they would benefit economically, through their sales commission, if Company 3 received the contract. C5-P and Officer 1 agreed that they would conceal this strategy by, among other means: (1) instructing officials at Company 3 to manipulate the figures listed on the Company's bid submission to DOT, so that if and when other contractors examined the bid, Company 3's pricing advantage would not be apparent; and (2) falsely informing other

Street Lighting Contractors that they were being quoted a lower price than other prospective bidders.

e. In these ways, C5-P, McLAUGHLIN, and Officer 1 sought to take advantage of the power that McLAUGHLIN and Officer 1 possessed as Local 3 and J Division officials to ensure that Street Lighting Contractors purchased LED units from the Manufacturer. Moreover, as part of that effort, they pursued a strategy to obtain the highest possible sales commission for Company 5, which, in turn, would best serve the personal financial interests of C5-P, McLAUGHLIN, and Officer 1.

f. In addition to their conduct relating to Company 5's involvement in the sales of LED traffic signals and pedestrian signs, McLAUGHLIN and Officer 1 also used their official positions, and their contacts with J Division members and Contractors, to encourage those companies to purchase street lighting components from Company 5. In that way, as well, McLAUGHLIN and Officer 1 sought to advance their own financial interests through their secret business relationship with C5-P.

162. In or about 2001, C5-P and Officer 1 agreed to distribute profits from Company 5's business activities to Officer 1 and McLAUGHLIN by establishing a limited liability corporation (the “LLC”) as a vehicle to receive such funds. The LLC was formed in or about July of 2001; although it was registered in New York State under the name of Officer 1's wife,

the LLC was, in fact, owned by Officer 1 and his wife and controlled by Officer 1. Between in or about September of 2001 and in or about October of 2004, Company 5 made payments to the LLC in a total amount of more than $363,000. Moreover, between in or about January of 2005 and January of 2006, Company 5 made payments directly to Officer 1 in a total amount of more than $75,000. C5-P typically caused these payments to be sent to the LLC and Officer 1 by mail. In most instances, Officer 1 then provided McLAUGHLIN with half the proceeds that Officer 1 and the LLC received from Company 5 by withdrawing funds from personal bank accounts and making cash payments to McLAUGHLIN. Officer 1 made one such payment on or about September 8, 2005, when he provided McLAUGHLIN with $2,000 and indicated that the funds were from C5-P and the LLC.

Taft-Hartley Act Violation And Mail Fraud

163. The defendant committed the following acts of racketeering, any one of which alone constitutes the commission of Racketeering Act Twenty-Two:

A. Taft-Hartley Act Violation

a. Between in or about September of 2001 and in or about September of 2005, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, together with others known and unknown, unlawfully, willfully, and knowingly, being representatives of employees who were employed in an

industry affecting commerce, and being officers and employees of a labor organization which represented, sought to represent, and would admit to membership employees who were employed in an industry affecting commerce, did request, demand, receive, and accept, and agree to receive and accept, a payment, loan, and delivery of money and other things of value, from persons acting in the interest of an employer of such employees, to wit, a series of payments that McLAUGHLIN received from Company 5 and C5-P, through the LLC and Officer 1, which payments consisted of a share of the sales commissions that Company 5 obtained from the corporation that owned the Manufacturer, in violation of Title 29, United States Code, Sections 186(a)(1), (a)(2), (b)(1), and (d)(2) and Title 18, United States Code, Section 2.

B. Mail Fraud – Honest Services

b. As the Local 3 Business Representative responsible for overseeing the J Division, McLAUGHLIN owed a duty to provide honest services to the Local, the Division, and the union members whose interests he was supposed to serve with undivided loyalty. By the manner in which McLAUGHLIN (1) held an interest in and received proceeds from Company 5, (2) failed to disclose, and instead preserved the secrecy of, that business relationship and the income he derived from it, and (3) used his official position to advance Company 5's, and thus his own, financial interests,

McLAUGHLIN participated in a scheme to defraud the members of Local 3 and the J Division of their right to honest services.

c. From at least in or about February of 1999, up to and including at least in or about September of 2005, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, together with others known and unknown, having devised and intending to devise a scheme and artifice to defraud, and to deprive another of the intangible right to the honest services of McLAUGHLIN as the Business Representative for the J Division of Local 3 of the IBEW, and, for the purpose of executing such scheme and artifice and attempting to do so, unlawfully, willfully and knowingly did cause matters and things to be delivered by mail and private and commercial interstate carrier according to the directions thereon, to wit, payments mailed to Officer 1 and/or the LLC consisting of proceeds from Company 5, portions of which were then passed along to McLAUGHLIN, in violation of Title 18, United States Code, Sections 1341, 1346, and 2.

RACKETEERING ACT TWENTY-THREE
Mail Fraud
(The Receipt Of Payments From Company 6)

164. Company 6, which is based in Newburgh, New York, manufactures and supplies components used in traffic signals and related devices. Street Lighting Contractors are regular customers of Company 6. In or about 2001, McLAUGHLIN learned

that the principal owner and manager of Company 6 ("C6-O") was making monthly payments of approximately $5,000 to a J Division member who worked as a general foreman at Company 2 ("Foreman 4").

165. After McLAUGHLIN learned of these payments, he told Officer 1 that he wanted half of what Foreman 4 was receiving. At McLAUGHLIN's direction, Officer 1 then spoke with Foreman 4, and they agreed that McLAUGHLIN would receive half of the amount of each of the payments that C6-O was making to Foreman 4. Officer 1 then spoke with C6-O and arranged to have C6-O make monthly payments of $2,500 to the LLC that Officer 1 had formed to receive and distribute proceeds obtained from Company 5, as alleged above.

166. In or about October 2001, Officer 1 received the first check from Company 6, made out to the LLC, in the amount of $2,500. Thereafter, Officer 1 received similar checks on approximately a monthly basis, up to and including at least in or about August 2005. Between in or about October 2001 and in or about August 2005, Officer 1 received checks from Company 6 in a total amount of more than $100,000. Officer 1 deposited these checks into an account held in the name of the LLC. He then made cash withdrawals from the LLC account and delivered the proceeds to McLAUGHLIN, keeping only enough to cover the taxes that would be owed based on the receipt of these payments from Company 6.

167. From time to time, Officer 1 met with C6-O to receive payments. For example, on or about May 5, 2005, C6-O met with Officer 1 and delivered two checks, each for $2,500, drawn on a Company 6 account and made out to the LLC. During their conversation, C6-O indicated that the two checks constituted payments for February and March, and that he would still owe payments for April and May. C6-O also suggested to Officer 1 that they should meet again in about two weeks. In response, Officer 1 stated that he would let McLAUGHLIN know, or that C6-O could inform McLAUGHLIN when they all met.

168. On or about July 17, 2005, Officer 1 called C6-O and left a message informing CO-5 that the most recent check from Company 6 to the LLC had been returned for insufficient funds. Later that day, C6-O called Officer 1 and told him that he would send via overnight delivery a check in the amount of $5,100. Thereafter, by a Federal Express delivery from Newburgh, New York, C6-O sent Officer 1 a $5,100 check made out to the LLC.

169. During the relevant period of time, Foreman 4 was a member of Local 3 and the J Division. McLAUGHLIN, in his capacity as the Local 3 Business Representative for the J Division, represented and owed a duty to provide honest services to Local 3, the Division, and the union members whose interests he was supposed to serve with undivided loyalty. As part of that duty, McLAUGHLIN was prohibited, under state law, from engaging,

directly or indirectly, in any financial transaction with Company 6; moreover, under federal law, McLAUGHLIN was required to publicly disclose any income he received, directly or indirectly, from Company 6. Instead of honoring those obligations – through his conduct in seeking, receiving, and attempting to conceal the payments that he obtained from Company 6, at the expense of a J Division foreman – McLAUGHLIN defrauded his union and its members of their right to honest services.

Mail Fraud – Honest Services

170. From in or about October of 2001, up to and including at least in or about August of 2005, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, together with others known and unknown, having devised and intending to devise a scheme and artifice to defraud, and to deprive another of the intangible right to the honest services of McLAUGHLIN as the Business Representative for the J Division of Local 3 of the IBEW, and, for the purpose of executing such scheme and artifice and attempting to do so, unlawfully, willfully and knowingly did cause matters and things to be delivered by mail and private and commercial interstate carrier according to the directions thereon, to wit, McLAUGHLIN secretly received proceeds from monthly payments in the amount of $2,500 from Company 6 that otherwise were intended for a J Division foreman, including in a check sent by overnight carrier on or

about July 19, 2005, in violation of Title 18, United States Code, Sections 1341, 1346, and 2.

COUNT TWO
(Racketeering Conspiracy)

The Grand Jury further charges:

171. The allegations contained in paragraphs 1 through 13 in Count One of this Indictment are re-alleged and incorporated by reference as though fully set forth herein.

Means And Methods Of The Enterprise

172. Among the means and methods by which BRIAN M. McLAUGHLIN, the defendant, and his associates conducted and participated in the conduct of the affairs of the enterprise were those alleged in paragraphs 14, 17 through 22, 24 through 31, 33 though 60, 67 through 72, 74 through 78, 80 through 81, 83 through 95, 100 through 103, 105 through 110, 112 through 122, 124 through 131, 136 through 138, 140 through 141, 143 through 147, 154 through 157, 159 through 162, and 164 through 169 in Count One of this Indictment. Those allegations are re-alleged and incorporated by reference as though fully set forth herein.

The Racketeering Conspiracy

173. From in or about 1995 through in or about March of 2006, both dates being approximate and inclusive, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, together with others known and unknown, being persons employed by and associated with an enterprise, which engaged in,

and the activities of which affected, interstate and foreign commerce, knowingly and intentionally conspired to violate Title 18, United States Code, Section 1962(c), that is, to conduct and participate, directly and indirectly, in the conduct of the affairs of that enterprise through a pattern of racketeering activity, as that term is defined in Sections 1961(1) and 1961(5) of Title 18, United States Code, consisting of multiple acts indictable under the following provisions of federal law:

a. 18 U.S.C. § 1341 (mail fraud);

b. 18 U.S.C. § 1343 (wire fraud);

c. 18 U.S.C. § 1956(a)(1)(B)(i) (money laundering);

d. 29 U.S.C. §§ 186(a)(1), (a)(2), (b)(1), and (d)(2) (requesting and receiving payments and other things of value from employers);

e. 29 U.S.C. § 501(c) (embezzling union funds);

and multiple acts involving bribery chargeable under the following provisions of state law:

f. New York State Penal Law, Sections 180.10 and 180.25 (bribe receiving by a labor official).

174. It was a further part of the conspiracy that each defendant agreed that a conspirator would commit at least two acts of racketeering activity in the conduct of the affairs of the enterprise.

(Title 18, United States Code, Section 1962(d).)

COUNT THREE
Mail Fraud
(The Street Lighting Association Account)

The Grand Jury further charges:

175. The allegations contained in paragraphs 17 through 22 in Count One above are re-alleged and incorporated as though fully set forth herein.

176. From in or about January of 1995 through in or about December of 2005, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, together with others known and unknown, unlawfully, wilfully and knowingly, having devised and intending to devise a scheme and artifice to defraud the J Division, its membership, and individuals and entities making contributions to the Street Lighting Association, and to obtain money and property by means of false and fraudulent pretenses, representations and promises, caused mail matter to be delivered by the United States Postal Service according to the direction thereon, for the purpose of executing such scheme and artifice, to wit, the mailing of letters seeking donations to the J Division of Local 3 in the form of checks written to the SLA, the mailing of such donations from Street Lighting Contractors, the mailing of contributions deducted from the paychecks of J Division members, and the mailing of checks and money orders obtained using funds from the SLA account.

(Title 18, United States Code, Sections 1341 and 2.)

COUNT FOUR
Embezzlement Of Union Funds
(The Street Lighting Association Account)

The Grand Jury further charges:

177. The allegations contained in paragraphs 17 through 22 in Count One above are re-alleged and incorporated as though fully set forth herein.

178. From in or about January of 1995 through in or about December of 2005, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, together with others known and unknown, while being employed, directly and indirectly, by Local 3, which was a labor organizations engaged in an industry affecting commerce, McLAUGHLIN did embezzle, steal, and unlawfully and willfully abstract and convert to his own use, and the use of others, the moneys, funds, property, and assets of such organization, to wit, funds held in the Street Lighting Association account for the benefit of the J Division and its members.

(Title 29, United States Code, Section 501(c), and Title 18, United States Code, Section 2.)

COUNT FIVE
Conspiracy
(The Street Lighting Association Account)

The Grand Jury further charges:

179. From in or about January of 1995 through in or about December of 2005, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, and others known and unknown, unlawfully, willfully, and knowingly combined, conspired, confederated, and agreed together and with each other to commit an offense against the United States, to wit, violations of Section 1341 of Title 18, United States Code, and violations of Section 501(c) of Title 29, United States Code.

180. It was a part and an object of said conspiracy that BRIAN M. McLAUGHLIN, the defendant, together with others known and unknown, unlawfully, wilfully and knowingly, having devised and intending to devise a scheme and artifice to defraud the J Division, its membership, and individuals and entities making contributions to the Street Lighting Association, and to obtain money and property by means of false and fraudulent pretenses, representations and promises, caused mail matter to be delivered by the United States Postal Service according to the direction thereon, for the purpose of executing such scheme and artifice, to wit, the mailing of letters seeking donations to the J Division of Local 3 in the form of checks written to the SLA, the

mailing of such donations from Street Lighting Contractors, the mailing of contributions deducted from the paychecks of J Division members, and the mailing of checks and money orders obtained using funds from the SLA account, in violation of Title 18, United States Code, Section 1341.

181. It was further a part and an object of said conspiracy that BRIAN M. McLAUGHLIN, the defendant, while being employed, directly and indirectly, by Local 3, which was a labor organization engaged in an industry affecting commerce, McLAUGHLIN did embezzle, steal, and unlawfully and willfully abstract and convert to his own use, and the use of others, the moneys, funds, property, and assets of such organization, to wit, funds held in the Street Lighting Association account for the benefit of the J Division and its members, in violation of Title 29, United States Code, Section 501(c).

182. The means and methods employed in conducting and participating in the conduct of the conspiracy, and the overt acts, among others, committed in furtherance of the conspiracy and to effect the illegal objects thereof, were those alleged in paragraphs 17 through 22 in Count One above. Those allegations are re-alleged and incorporated by reference as though fully set forth herein.

(Title 18, United States Code, Section 371.)

COUNT SIX
Mail Fraud
(The Electchester Athletic Association)

The Grand Jury further charges:

183. The allegations contained in paragraphs 24 through 31 in Count One above are re-alleged and incorporated as though fully set forth herein.

184. From in or about 1997 through in or about 2006, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, together with others known and unknown, unlawfully, wilfully and knowingly, having devised and intending to devise a scheme and artifice to defraud the EAA and its contributors, and to obtain money and property by means of false and fraudulent pretenses, representations and promises, caused mail matter to be delivered by the United States Postal Service according to the direction thereon, for the purpose of executing such scheme and artifice, to wit, the mailing of letters seeking donations to the EAA, as well as the mailing of such donations intended for the benefit of the EAA.

(Title 18, United States Code, Sections 1341 and 2.)

COUNT SEVEN
Conspiracy
(The Electchester Athletic Association)

The Grand Jury further charges:

185. From in or about 1997 through in or about 2006, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN,

the defendant, and others known and unknown, unlawfully, willfully, and knowingly combined, conspired, confederated, and agreed together and with each other to commit an offense against the United States, to wit, violations of Section 1341 of Title 18, United States Code.

186. It was a part and an object of said conspiracy that BRIAN M. McLAUGHLIN, the defendant, together with others known and unknown, unlawfully, wilfully and knowingly, having devised and intending to devise a scheme and artifice to defraud the EAA and its contributors, and to obtain money and property by means of false and fraudulent pretenses, representations and promises, caused mail matter to be delivered by the United States Postal Service according to the direction thereon, for the purpose of executing such scheme and artifice, to wit, the mailing of letters seeking donations to the EAA, as well as the mailing of such donations intended for the benefit of the EAA, in violation of Title 18, United States Code, Section 1341.

187. The means and methods employed in conducting and participating in the conduct of the conspiracy, and the overt acts, among others, committed in furtherance of the conspiracy and to effect the illegal object thereof, were those alleged in paragraphs 24 through 31 in Count One above. Those allegations

are re-alleged and incorporated by reference as though fully set forth herein.

(Title 18, United States Code, Section 371.)

COUNT EIGHT
Mail Fraud
(The Committee To Elect Brian McLaughlin)

The Grand Jury further charges:

188. The allegations contained in paragraphs 33 through 60 in Count One above are re-alleged and incorporated as though fully set forth herein.

189. From in or about March of 1999 through in or about July of 2005, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, together with others known and unknown, unlawfully, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud his Campaign Committee and its contributors, and to obtain money and property by means of false and fraudulent pretenses, representations and promises, caused mail matter to be delivered by the United States Postal Service according to the direction thereon, for the purpose of executing such scheme and artifice, to wit, mailings seeking contributions to the Campaign Committee, and indicating only that such contributions would be used to support McLAUGHLIN’s reelection campaigns and his legitimate objectives as a member of the New York State Assembly.

(Title 18, United States Code, Sections 1341 and 2.)

COUNT NINE
Wire Fraud
(The Committee To Elect Brian McLaughlin)

The Grand Jury further charges:

190. The allegations contained in paragraphs 33 through 60 in Count One above are re-alleged and incorporated as though fully set forth herein.

191. From in or about March of 1999 through in or about July of 2005, in the Southern District of New York and elsewhere, BRIAN M. MCLAUGHLIN, the defendant, together with others known and unknown, unlawfully, wilfully and knowingly, having devised and intending to devise a scheme and artifice to defraud his Campaign Committee and its contributors, and to obtain money and property by means of false and fraudulent pretenses, representations and promises, caused to be transmitted by means of wire communications in interstate commerce, signs and signals for the purpose of executing such scheme and artifice, to wit, wire transmissions containing financial disclosure reports submitted to the BOE, which contained false and misleading entries indicating that the payments described in paragraphs 43 through 60 in Count One above were made for purposes relating to McLAUGHLIN’s political campaigns or his work as a State Assemblyman, when, in fact, those payments were made for McLAUGHLIN’s personal benefit.

(Title 18, United States Code, Sections 1343 and 2.)

COUNT TEN
Conspiracy
(The Committee To Elect Brian McLaughlin)

The Grand Jury further charges:

192. From in or about March of 1999 through in or about July of 2005, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, and others known and unknown, unlawfully, willfully, and knowingly combined, conspired, confederated, and agreed together and with each other to commit an offense against the United States, to wit, violations of Sections 1341 and 1343 of Title 18, United States Code.

193. It was a part and object of said conspiracy that BRIAN M. McLAUGHLIN, the defendant, together with others known and unknown, unlawfully, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud his Campaign Committee and its contributors, and to obtain money and property by means of false and fraudulent pretenses, representations and promises, caused mail matter to be delivered by the United States Postal Service according to the direction thereon, for the purpose of executing such scheme and artifice, to wit, mailings seeking contributions to the Campaign Committee, and indicating only that such contributions would be used to support McLAUGHLIN’s reelection campaigns and his legitimate objectives as a member of the New York State Assembly, in violation of Title 18, United States Code, Section 1341.

194. It was further a part and an object of said conspiracy that BRIAN M. McLAUGHLIN, the defendant, together with others known and unknown, unlawfully, wilfully and knowingly, having devised and intending to devise a scheme and artifice to defraud his Campaign Committee and its contributors, and to obtain money and property by means of false and fraudulent pretenses, representations and promises, caused to be transmitted by means of wire communications in interstate commerce, signs and signals for the purpose of executing such scheme and artifice, to wit, wire transmissions containing financial disclosure reports submitted to the BOE, which contained false and misleading entries indicating that the payments described in paragraphs 43 through 60 in Count One above were made for purposes relating to McLAUGHLIN's political campaigns or his work as a State Assemblyman, when, in fact, those payments were made for McLAUGHLIN's personal benefit, in violation of Title 18, United States Code, Section 1343.

195. The means and methods employed in conducting and participating in the conduct of the conspiracy, and the overt acts, among others, committed in furtherance of the conspiracy and to effect the illegal object thereof, were those alleged in paragraphs 33 through 60 in Count One above. Those allegations

are re-alleged and incorporated by reference as though fully set forth herein.

(Title 18, United States Code, Section 371.)

COUNT ELEVEN
Money Laundering
(The Committee To Elect Brian McLaughlin – Proceeds From Payments To The Management Company)

The Grand Jury further charges:

196. The allegations contained in paragraphs 33 through 44 in Count One above are re-alleged and incorporated as though fully set forth herein.

197. From in or about the summer of 2004 through in or about April of 2005, in the Eastern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, together with others known and unknown, conducted and attempted to conduct financial transactions involving the proceeds of specified unlawful activity, knowing that the property involved in such financial transactions represented the proceeds of some form of unlawful activity, and knowing that such financial transactions were designed in whole or in part to conceal and to disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activity, to wit, after having arranged for his Campaign Committee to make fraudulent payments, in the form of checks issued to the Management Company, McLAUGHLIN caused Foreman 1 to transfer cash proceeds from those checks to Officer 1, and caused Officer 1 to transfer such proceeds to pay for

construction work and renovations at McLAUGHLIN’s Nissequogue Residence.

(Title 18, United States Code, Sections 1956(a)(1)(B)(i) and 2.)

COUNT TWELVE
Money Laundering
(The Committee To Elect Brian McLaughlin – Proceeds From Checks Provided To Foreman 2)

The Grand Jury further charges:

198. The allegations contained in paragraphs 33 through 39 and 48 through 49 in Count One above are re-alleged and incorporated as though fully set forth herein.

199. From in or about the October of 2003 through in or about March of 2005, in the Eastern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, together with others known and unknown, conducted and attempted to conduct financial transactions involving the proceeds of specified unlawful activity, knowing that the property involved in such financial transactions represented the proceeds of some form of unlawful activity, and knowing that such financial transactions were designed in whole or in part to conceal and to disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activity, to wit, after having arranged for his Campaign Committee to make fraudulent payments, in the form of checks written to the Management Company, a printing company, McLAUGHLIN’s relative, and a catering hall, which Foreman 2 instead cashed, McLAUGHLIN caused Officer 1 to use the proceeds

from those checks to pay for construction work and renovations at McLAUGHLIN's Nissequogue Residence.

(Title 18, United States Code, Sections 1956(a)(1)(B)(i) and 2.)

COUNT THIRTEEN
Money Laundering Conspiracy
(The Committee To Elect Brian McLaughlin)

The Grand Jury further charges:

200. From in or about the October of 2003 through in or about July of 2005, in the Eastern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, and others known and unknown, unlawfully, willfully and knowingly did combine, conspire, confederate and agree together and with each other to commit offenses against the United States, to wit, violations of Title 18, United States Code, Section 1956(a)(1)(B)(i).

201. It was a part and an object of said conspiracy that BRIAN M. McLAUGHLIN, the defendant, and others known and unknown, in an offense involving and affecting interstate and foreign commerce, knowing that property involved in certain financial transactions represented the proceeds of some form of unlawful activity, unlawfully, willfully, and knowingly would and did conduct and attempt to conduct financial transactions, which in fact involved the proceeds of specified unlawful activity, to wit, mail fraud and wire fraud, knowing that the transactions were designed in whole and in part to conceal and disguise the nature, location, source, ownership and control of the proceeds

of specified unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

202. The means and methods employed in conducting and participating in the conduct of the conspiracy, and the overt acts, among others, committed in furtherance of the conspiracy and to effect the illegal object thereof, were those alleged in paragraphs 33 through 44 and 48 through 49 in Count One above. Those allegations are re-alleged and incorporated by reference as though fully set forth herein.

(Title 18, United States Code, Section 1956(h).)

COUNT FOURTEEN
Wire Fraud
(The Central Labor Council – Foreman 1's Employment)

The Grand Jury further charges:

203. The allegations contained in paragraphs 67 through 72 in Count One above are re-alleged and incorporated as though fully set forth herein.

204. From in or about August of 2005 through in or about April of 2006, in the Southern District of New York and elsewhere, BRIAN M. MCLAUGHLIN, the defendant, together with others known and unknown, unlawfully, wilfully and knowingly, having devised and intending to devise a scheme and artifice to defraud the New York City Central Labor Council, and to obtain money and property by means of false and fraudulent pretenses, representations and promises, caused to be transmitted by means

of wire communications in interstate commerce, signs and signals for the purpose of executing such scheme and artifice, to wit, wire transmissions of direct-deposit salary payments into an account held by Foreman 1, which, in fact, was not compensation for work that Foreman 1 actually performed but was instead a means through which McLAUGHLIN secretly obtained additional funds from the CLC for his own personal purposes.

(Title 18, United States Code, Sections 1343 and 2.)

COUNT FIFTEEN
Conspiracy
(The Central Labor Council – Foreman 1's Employment)

The Grand Jury further charges:

205. From in or about August of 2005 through in or about April of 2006, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, and others known and unknown, unlawfully, willfully, and knowingly combined, conspired, confederated, and agreed together and with each other to commit an offense against the United States, to wit, violations of Section 1343 of Title 18, United States Code.

206. It was a part and an object of said conspiracy that BRIAN M. McLAUGHLIN, the defendant, together with others known and unknown, unlawfully, wilfully and knowingly, having devised and intending to devise a scheme and artifice to defraud the New York City Central Labor Council, and to obtain money and property by means of false and fraudulent pretenses, representations and

promises, caused to be transmitted by means of wire communications in interstate commerce, signs and signals for the purpose of executing such scheme and artifice, to wit, wire transmissions of direct-deposit salary payments into an account held by Foreman 1, which, in fact, was not compensation for work that Foreman 1 actually performed but was instead a means through which McLAUGHLIN secretly obtained additional funds from the CLC for his own personal purposes, in violation of Title 18, United States Code, Section 1343.

207. The means and methods employed in conducting and participating in the conduct of the conspiracy, and the overt acts, among others, committed in furtherance of the conspiracy and to effect the illegal object thereof, were those alleged in paragraphs 67 through 72 in Count One above. Those allegations are re-alleged and incorporated by reference as though fully set forth herein.

(Title 18, United States Code, Section 371.)

COUNT SIXTEEN
Mail Fraud
(The Central Labor Council – Payments For Consulting Services)

The Grand Jury further charges:

208. The allegations contained in paragraphs 74 through 78 in Count One above are re-alleged and incorporated as though fully set forth herein.

209. From in or about December of 2002 through in or about October of 2004, in the Southern District of New York and elsewhere, BRIAN M. MCLAUGHLIN, the defendant, together with others known and unknown, unlawfully, wilfully and knowingly, having devised and intending to devise a scheme and artifice to defraud the New York City Central Labor Council, and to obtain money and property by means of false and fraudulent pretenses, representations and promises, caused mail matter to be delivered by the United States Postal Service according to the direction thereon, for the purpose of executing such scheme and artifice, to wit, the mailing of one or more checks from the CLC to the Management Company, purportedly as payments for monthly consulting services, when, in fact, the Management Company was not performing such services but was instead being used to secretly provide McLAUGHLIN with additional funds from the CLC, as well as the mailing of checks that Foreman 1 issued to pay for McLAUGHLIN's personal expenses.

(Title 18, United States Code, Sections 1341 and 2.)

COUNT SEVENTEEN
Conspiracy
(The Central Labor Council – Payments For Consulting Services)

The Grand Jury further charges:

210. From in or about December of 2002 through in or about October of 2004, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, and others known

and unknown, unlawfully, willfully, and knowingly combined, conspired, confederated, and agreed together and with each other to commit an offense against the United States, to wit, violations of Section 1341 of Title 18, United States Code.

211. It was a part and an object of said conspiracy that BRIAN M. McLAUGHLIN, the defendant, together with others known and unknown, unlawfully, wilfully and knowingly, having devised and intending to devise a scheme and artifice to defraud the New York City Central Labor Council, and to obtain money and property by means of false and fraudulent pretenses, representations and promises, caused mail matter to be delivered by the United States Postal Service according to the direction thereon, for the purpose of executing such scheme and artifice, to wit, the mailing of one or more checks from the CLC to the Management Company, purportedly as payments for monthly consulting services, when, in fact, the Management Company was not performing such services but was instead being used to secretly provide McLAUGHLIN with additional funds from the CLC, as well as the mailing of checks that Foreman 1 issued to pay for McLAUGHLIN's personal expenses, in violation of Title 18, United States Code, Section 1341.

212. The means and methods employed in conducting and participating in the conduct of the conspiracy, and the overt acts, among others, committed in furtherance of the conspiracy

and to effect the illegal object thereof, were those alleged in paragraphs 74 through 78 in Count One above. Those allegations are re-alleged and incorporated by reference as though fully set forth herein.

(Title 18, United States Code, Section 371.)

COUNT EIGHTEEN
Mail Fraud
(The Central Labor Council – Payment For McLaughlin's Home Security System)

The Grand Jury further charges:

213. The allegations contained in paragraphs 80 through 81 in Count One above are re-alleged and incorporated as though fully set forth herein.

214. From in or about December of 2004 through in or about January of 2005, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, together with others known and unknown, unlawfully, wilfully and knowingly, having devised and intending to devise a scheme and artifice to defraud the New York City Central Labor Council, and to obtain money and property by means of false and fraudulent pretenses, representations and promises, caused mail matter to be delivered by the United States Postal Service according to the direction thereon, for the purpose of executing such scheme and artifice, to wit, the mailing of an invoice from a security company to the CLC, and the mailing of a check from the CLC to the security

company as payment for the work described in that invoice, when, in fact, no such work was performed for the CLC, and the payment was instead made for McLAUGHLIN's personal benefit.

(Title 18, United States Code, Sections 1341 and 2.)

COUNT NINETEEN
Conspiracy
(The Central Labor Council – Payment For McLaughlin's Home Security System)

The Grand Jury further charges:

215. From in or about December of 2004 through in or about January of 2005, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, and others known and unknown, unlawfully, willfully, and knowingly combined, conspired, confederated, and agreed together and with each other to commit an offense against the United States, to wit, violations of Section 1341 of Title 18, United States Code.

216. It was a part and an object of said conspiracy that BRIAN M. McLAUGHLIN, the defendant, together with others known and unknown, unlawfully, wilfully and knowingly, having devised and intending to devise a scheme and artifice to defraud the New York City Central Labor Council, and to obtain money and property by means of false and fraudulent pretenses, representations and promises, caused mail matter to be delivered by the United States Postal Service according to the direction thereon, for the purpose of executing such scheme and artifice, to wit, the mailing of an invoice from a security company to the CLC, and the

mailing of a check from the CLC to the security company as payment for the work described in that invoice, when, in fact, no such work was performed for the CLC, and the payment was instead made for McLAUGHLIN's personal benefit, in violation of Title 18, United States Code, Section 1341.

217. The means and methods employed in conducting and participating in the conduct of the conspiracy, and the overt acts, among others, committed in furtherance of the conspiracy and to effect the illegal object thereof, were those alleged in paragraphs 80 through 81 in Count One above. Those allegations are re-alleged and incorporated by reference as though fully set forth herein.

(Title 18, United States Code, Section 371.)

COUNT TWENTY
Mail Fraud
(The New York State Assembly – Employment Of Officer 2)

The Grand Jury further charges:

218. The allegations contained in paragraphs 83 through 91 in Count One above are re-alleged and incorporated as though fully set forth herein.

219. From in or about November of 2003 through in or about January of 2004, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, together with others known and unknown, unlawfully, wilfully and knowingly, having devised and intending to devise a scheme and artifice to

defraud the State of New York, and to obtain money and property by means of false and fraudulent pretenses, representations and promises, caused mail matter to be delivered by the United States Postal Service according to the direction thereon, for the purpose of executing such scheme and artifice, to wit, the mailing of time sheets purporting to reflect the hours that Officer 2 spent working as a member of McLAUGHLIN's District Office staff, and the mailing of state payroll checks to compensate Officer 2 for work that he purportedly performed as part of McLAUGHLIN's District Office staff, when, in fact, Officer 2 did not perform the work for which he received compensation and instead provided McLAUGHLIN with a share of his salary.

(Title 18, United States Code, Sections 1341 and 2.)

COUNT TWENTY-ONE
Mail Fraud
(The New York State Assembly – Employment Of Officer 1)

The Grand Jury further charges:

220. The allegations contained in paragraphs 92 through 95 in Count One above are re-alleged and incorporated as though fully set forth herein.

221. From in or about April of 2005 through in or about March of 2006, in the Eastern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, together with others known and unknown, unlawfully, wilfully and knowingly, having devised

and intending to devise a scheme and artifice to defraud the State of New York, and to obtain money and property by means of false and fraudulent pretenses, representations and promises, caused mail matter to be delivered by the United States Postal Service according to the direction thereon, for the purpose of executing such scheme and artifice, to wit, the mailing of time sheets purporting to reflect the hours that Officer 1 spent working as a member of McLAUGHLIN's District Office staff, and the mailing of state payroll checks to compensate Officer 1 for work that he purportedly performed as part of McLAUGHLIN's District Office staff, when, in fact, Officer 1 did not perform the work for which he received compensation.

(Title 18, United States Code, Section 1341 and 2.)

COUNT TWENTY-TWO
Conspiracy
(The New York State Assembly – Employment Of Officer 1)

The Grand Jury further charges:

222. From in or about March of 2005 through in or about March of 2006, in the Eastern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, and others known and unknown, unlawfully, willfully, and knowingly combined, conspired, confederated, and agreed together and with each other to commit an offense against the United States, to wit, violations of Section 1341 of Title 18, United States Code.

223. It was a part and an object of said conspiracy that BRIAN M. McLAUGHLIN, the defendant, together with others known and unknown, unlawfully, wilfully and knowingly, having devised and intending to devise a scheme and artifice to defraud the State of New York, and to obtain money and property by means of false and fraudulent pretenses, representations and promises, caused mail matter to be delivered by the United States Postal Service according to the direction thereon, for the purpose of executing such scheme and artifice, to wit, the mailing of time sheets purporting to reflect the hours that Officer 1 spent working as a member of McLAUGHLIN's District Office staff, and the mailing of state payroll checks to compensate Officer 1 for work that he purportedly performed as part of McLAUGHLIN's District Office staff, when, in fact, Officer 1 did not perform the work for which he received compensation, in violation of Title 18, United States Code, Section 1341.

224. The means and methods employed in conducting and participating in the conduct of the conspiracy, and the overt acts, among others, committed in furtherance of the conspiracy and to effect the illegal object thereof, were those alleged in paragraphs 92 through 95 in Count One above. Those allegations are re-alleged and incorporated by reference as though fully set forth herein.

(Title 18, United States Code, Section 371.)

COUNT TWENTY-THREE
Mail Fraud
(The New York State Assembly – Per Diem Expenses)

The Grand Jury further charges:

225. The allegations contained in paragraphs 100 through 103 in Count One above are re-alleged and incorporated as though fully set forth herein.

226. In or about November of 2003 and in or about February of 2005, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, together with others known and unknown, unlawfully, wilfully and knowingly, having devised and intending to devise a scheme and artifice to defraud the State of New York, and to obtain money and property by means of false and fraudulent pretenses, representations and promises, caused mail matter to be delivered by the United States Postal Service according to the direction thereon, for the purpose of executing such scheme and artifice, to wit, the mailing of vouchers dated November 25, 2003, February 3, 2005, and February 19, 2005 seeking reimbursements, on a *per diem* basis, for expenses that McLAUGHLIN purportedly incurred attending to legislative business in Albany, New York during specified days, when, in fact, on certain of those days, McLAUGHLIN was not in Albany, as well as the mailing of reimbursement payments based on such vouchers.

(Title 18, United States Code, Sections 1341 and 2.)

COUNT TWENTY-FOUR
Mail Fraud
(The Clinton Club)

The Grand Jury further charges:

227. The allegations contained in paragraphs 105 through 110 in Count One above are re-alleged and incorporated as though fully set forth herein.

228. From in or about September of 2004 through in or about September of 2005, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, together with others known and unknown, unlawfully, wilfully and knowingly, having devised and intending to devise a scheme and artifice to defraud the William Jefferson Clinton Democratic Club of Queens and its contributors, and to obtain money and property by means of false and fraudulent pretenses, representations and promises, caused mail matter to be delivered by the United States Postal Service according to the direction thereon, for the purpose of executing such scheme and artifice, to wit, the mailing of materials intended to raise funds for the Clinton Club, the mailing of contributions and payments intended to benefit the Clinton Club and support its legitimate purposes, and the mailing of money orders purchased with Clinton Club funds.

(Title 18, United States Code, Sections 1341 and 2.)

COUNT TWENTY-FIVE
Conspiracy
(The Clinton Club)

The Grand Jury further charges:

229. From in or about September of 2004 through in or about September of 2005, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, and others known and unknown, unlawfully, willfully, and knowingly combined, conspired, confederated, and agreed together and with each other to commit an offense against the United States, to wit, violations of Section 1341 of Title 18, United States Code.

230. It was a part and an object of said conspiracy that BRIAN M. McLAUGHLIN, the defendant, together with others known and unknown, unlawfully, wilfully and knowingly, having devised and intending to devise a scheme and artifice to defraud the William Jefferson Clinton Democratic Club of Queens and its contributors, and to obtain money and property by means of false and fraudulent pretenses, representations and promises, caused mail matter to be delivered by the United States Postal Service according to the direction thereon, for the purpose of executing such scheme and artifice, to wit, the mailing of materials intended to raise funds for the Clinton Club, the mailing of contributions and payments intended to benefit the Clinton Club and support its legitimate purposes, and the mailing of money

orders purchased with Clinton Club funds, in violation of Title 18, United States Code, Section 1341.

231. The means and methods employed in conducting and participating in the conduct of the conspiracy, and the overt acts, among others, committed in furtherance of the conspiracy and to effect the illegal object thereof, were those alleged in paragraphs 105 through 110 in Count One above. Those allegations are re-alleged and incorporated by reference as though fully set forth herein.

(Title 18, United States Code, Section 371.)

COUNT TWENTY-SIX
Taft-Hartley Act Violation
(Payments From Company 1)

The Grand Jury further charges:

232. The allegations contained in paragraphs 112 through 122 in Count One above are re-alleged and incorporated as though fully set forth herein.

233. Between in or about 1998 and in or about 2002, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, and others know and unknown, unlawfully, willfully, and knowingly, being representatives of employees who were employed in an industry affecting commerce, and being officers and employees of a labor organization which represented, sought to represent, and would admit to membership employees who were employed in an industry affecting commerce, did request,

demand, receive, and accept, and agree to receive and accept, a payment, loan, and delivery of money and other things of a value exceeding $1,000, from an employer of such employees and persons acting in the interest of such an employer, to wit, proceeds from checks that Company 1 and its executives provided to Officer 2, who received such payments as an intermediary for McLAUGHLIN, and payments that Officer 2 made for McLAUGHLIN's benefit using proceeds from such checks.

(Title 29, United States Code, Sections 186(a)(1), (a)(2), (b)(1), and (d)(2), and Title 18, United States Code, Section 2.)

COUNT TWENTY-SEVEN
Conspiracy
(Payments From Company 1)

The Grand Jury further charges:

234. From in or about 1998 until in or about 2002, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, and others known and unknown, unlawfully, willfully, and knowingly combined, conspired, confederated, and agreed together and with each other to commit an offense against the United States, to wit, violations of Sections 186(a)(1), (a)(2), (b)(1) and (d)(2) of Title 29, United States Code.

235. It was a part and an object of said conspiracy that BRIAN M. McLAUGHLIN, the defendant, and others known and unknown, unlawfully, willfully, and knowingly, being representatives of employees who were employed in an industry affecting commerce,

and being officers and employees of a labor organization which represented, sought to represent, and would admit to membership employees who were employed in an industry affecting commerce, did request, demand, receive, and accept, and agree to receive and accept, a payment, loan, and delivery of money and other things of a value exceeding $1,000, from an employer of such employees and persons acting in the interest of such an employer, to wit, proceeds from checks that Company 1 and its executives provided to Officer 2, who received such payments as an intermediary for McLAUGHLIN, and payments that Officer 2 made for McLAUGHLIN's benefit using proceeds from such checks, in violation of Title 29, United States Code, Sections 186(a)(1), (a)(2), (b)(1), and (d)(2).

236. The means and methods employed in conducting and participating in the conduct of the conspiracy, and the overt acts, among others, committed in furtherance of the conspiracy and to effect the illegal objects thereof, were those alleged in paragraphs 112 through 122 in Count One above. Those allegations are re-alleged and incorporated by reference as though fully set forth herein.

(Title 18, United States Code, Section 371.)

COUNT TWENTY-EIGHT
Taft-Hartley Act Violation
(The Ford Crown Victoria Purchased By Company 2)

The Grand Jury further charges:

237. The allegations contained in paragraphs 124 through 129 in Count One above are re-alleged and incorporated as though fully set forth herein.

238. Between in or about February of 2004 and in or about April of 2004, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, unlawfully, willfully, and knowingly, being a representative of employees who were employed in an industry affecting commerce, and being an employee of a labor organization which represented, sought to represent, and would admit to membership employees who were employed in an industry affecting commerce, did request, demand, receive, and accept, and agree to receive and accept, a payment, loan, and delivery of money and other things of a value exceeding $1,000, from an employer of such employees and persons acting in the interest of such an employer, to wit, a new Ford Crown Victoria automobile that was paid for by Company 2.

(Title 29, United States Code, Sections 186(a)(1), (a)(2), (b)(1), and (d)(2), and Title 18, United States Code, Section 2.)

COUNT TWENTY-NINE
Taft-Hartley Act Violation
(Monetary Payments From Company 2)

The Grand Jury further charges:

239. The allegations contained in paragraphs 130 through 131 in Count One above are re-alleged and incorporated as though fully set forth herein.

240. Between in or about October of 2005 and in or about February of 2006, in the Eastern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, unlawfully, willfully, and knowingly, being a representative of employees who were employed in an industry affecting commerce, and being an employee of a labor organization which represented, sought to represent, and would admit to membership employees who were employed in an industry affecting commerce, did request, demand, receive, and accept, and agree to receive and accept, a payment, loan, and delivery of money and other things of a value exceeding $1,000, from an employer of such employees and persons acting in the interest of such an employer, to wit, a series of monetary payments from an official of Company 2.

(Title 29, United States Code, Sections 186(a)(1), (a)(2), (b)(1), and (d)(2), and Title 18, United States Code, Section 2.)

COUNT THIRTY
Taft-Hartley Act Violation
(The Company 3 Car Provided To McLaughlin For His Son)

The Grand Jury further charges:

241. In or about February of 2006, McLAUGHLIN directed one or more J Division foremen employed at Company 3 to provide him with a car that Company 3 owned – specifically, a Dodge Neon marked with Company 3's name and logo – for McLAUGHLIN's son to drive. The foremen complied with that request. The car was retrieved in or about March of 2006, shortly after law enforcement agents executed search warrants at several locations, including the CLC, McLAUGHLIN's legislative District Office, and the offices of a Street Lighting Contractor.

242. Between in or about February of 2006, until at least in or about March of 2006, in the Eastern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, unlawfully, willfully, and knowingly, being a representative of employees who were employed in an industry affecting commerce, and being an employee of a labor organization which represented, sought to represent, and would admit to membership employees who were employed in an industry affecting commerce, did request, demand, receive, and accept, and agree to receive and accept, a payment, loan, and delivery of money and other things of a value exceeding $1,000, from an employer of such employees and persons acting in

the interest of such an employer, to wit, a vehicle owned by Company 3, which McLAUGHLIN provided to his son.

(Title 29, United States Code, Sections 186(a)(1), (a)(2), (b)(1), and (d)(2), and Title 18, United States Code, Section 2.)

COUNT THIRTY-ONE
Taft-Hartley Act Violation
(The Company 3 Car Provided To Friend 1)

The Grand Jury further charges:

243. The allegations contained in paragraphs 137 through 138 in Count One above are re-alleged and incorporated as though fully set forth herein.

244. Between in or about May of 2000 until in or about December of 2001, in the Eastern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, unlawfully, willfully, and knowingly, being a representative of employees who were employed in an industry affecting commerce, and being an employee of a labor organization which represented, sought to represent, and would admit to membership employees who were employed in an industry affecting commerce, did request, demand, receive, and accept, and agree to receive and accept, a payment, loan, and delivery of money and other things of a value exceeding $1,000, from an employer of such employees and persons acting in the interest of such an employer, to wit, a vehicle owned by

Company 3, which, at McLAUGHLIN's direction, was taken from Foreman 2 and provided to Friend 1.

(Title 29, United States Code, Sections 186(a)(1), (a)(2), (b)(1), and (d)(2), and Title 18, United States Code, Section 2.)

COUNT THIRTY-TWO
Taft-Hartley Act Violation
(Company 3 – Work Performed For McLaughlin's Personal Benefit)

The Grand Jury further charges:

245. The allegations contained in paragraphs 140 through 141 in Count One above are re-alleged and incorporated as though fully set forth herein.

246. Between in or about November of 2004 until at least in or about January of 2006, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, unlawfully, willfully, and knowingly, being a representative of employees who were employed in an industry affecting commerce, and being an employee of a labor organization which represented, sought to represent, and would admit to membership employees who were employed in an industry affecting commerce, did request, demand, receive, and accept, and agree to receive and accept, a payment, loan, and delivery of money and other things of a value exceeding $1,000, from an employer of such employees and persons acting in the interest of such an employer, to wit, the regular and continuing services of union members employed at Company 3, for McLAUGHLIN's personal use and benefit, during times when those

employees would have otherwise been working for, and were receiving compensation from, Company 3.

(Title 29, United States Code, Sections 186(a)(1), (a)(2), (b)(1), and (d)(2), and Title 18, United States Code, Section 2.)

COUNT THIRTY-THREE
Taft-Hartley Act Violation
(Monetary Payments From Company 4)

The Grand Jury further charges:

247. The allegations contained in paragraphs 143 through 144 in Count One above are re-alleged and incorporated as though fully set forth herein.

248. Between in or about 2002 and in or about February 2004, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, unlawfully, willfully, and knowingly, being a representative of employees who were employed in an industry affecting commerce, and being an employee of a labor organization which represented, sought to represent, and would admit to membership employees who were employed in an industry affecting commerce, did request, demand, receive, and accept, and agree to receive and accept, a payment, loan, and delivery of money and other things of a value exceeding $1,000, from an employer of such employees and persons acting in the interest of

such an employer, to wit, approximately $30,000 from Company 4 and C4-P.

(Title 29, United States Code, Sections 186(a)(1), (a)(2), (b)(1), and (d)(2), and Title 18, United States Code, Section 2.)

COUNT THIRTY-FOUR
Taft-Hartley Act Violation
(The Request For A Company 4 Vehicle)

The Grand Jury further charges:

249. The allegations contained in paragraphs 145 through 146 in Count One above are re-alleged and incorporated as though fully set forth herein.

250. Between in or about October 2003 and in or about March 2004, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, unlawfully, willfully, and knowingly, being a representative of employees who were employed in an industry affecting commerce, and being an employee of a labor organization which represented, sought to represent, and would admit to membership employees who were employed in an industry affecting commerce, did request and demand a payment, loan, and delivery of money and other things of a value exceeding $1,000, from an employer of such employees and persons acting in the interest of such an employer, to wit, a vehicle from Company 4.

(Title 29, United States Code, Sections 186(a)(1), (a)(2), (b)(1), and (d)(2), and Title 18, United States Code, Section 2.)

COUNT THIRTY-FIVE
Taft-Hartley Act Violation
(Company 4 – Work Performed For McLaughlin's Personal Benefit)

The Grand Jury further charges:

251. The allegations contained in paragraph 147 in Count One above are re-alleged and incorporated as though fully set forth herein.

252. Between in or about 2002 and in or about October of 2004, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, unlawfully, willfully, and knowingly, being a representative of employees who were employed in an industry affecting commerce, and being an employee of a labor organization which represented, sought to represent, and would admit to membership employees who were employed in an industry affecting commerce, did request, demand, receive, and accept, and agree to receive and accept, a payment, loan, and delivery of money and other things of a value exceeding $1,000, from an employer of such employees and persons acting in the interest of such an employer, to wit, the regular and continuing services of Officer 2, a union member and general foreman at Company 4, for McLAUGHLIN's personal use and benefit, during times when Officer 2 would have otherwise been working for, and was receiving compensation from, Company 4.

(Title 29, United States Code, Sections 186(a)(1), (a)(2), (b)(1), and (d)(2), and Title 18, United States Code, Section 2.)

COUNT THIRTY-SIX
Travel Act – Labor Bribery
(The Film Lab)

The Grand Jury further charges:

253. The allegations contained in paragraphs 154 through 157 in Count One above are re-alleged and incorporated as though fully set forth herein.

254. From in or about May of 2002 through in or about March of 2006, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, unlawfully, willfully, and knowingly, used and caused another to use the mail and facilities in interstate and foreign commerce, with the intent to promote, manage, establish, carry on, and facilitate the promotion, management, establishment, and carrying on of unlawful activity, specifically, labor bribery, in violation of New York State Penal Law Sections 180.10, 180.25 and 20.00, and thereafter performed, attempted to perform, and caused another to perform an act to promote, manage, establish, carry on, and facilitate the promotion, management, establishment, and carrying on of such unlawful activity, to wit, in exchange for causing members of the J Division to perform construction work for the Film Lab, at no expense to the Film Lab, McLAUGHLIN received the benefit of payments on a loan that financed the purchase of a car, which payments were sent through the mails.

(Title 18, United States Code, Sections 1952 and 2.)

COUNT THIRTY-SEVEN
Conspiracy
(The Film Lab)

The Grand Jury further charges:

255. From in or about May of 2002 through in or about March of 2006, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, and others known and unknown, unlawfully, willfully, and knowingly combined, conspired, confederated, and agreed together and with each other to commit an offense against the United States, to wit, violations of Section 1952 of Title 18, United States Code.

256. It was a part and an object of said conspiracy that BRIAN M. McLAUGHLIN, the defendant, together with others known and unknown, unlawfully, willfully, and knowingly, used the mail and facilities in interstate and foreign commerce, with the intent to promote, manage, establish, carry on, and facilitate the promotion, management, establishment, and carrying on of unlawful activity, specifically, labor bribery, in violation of New York State Penal Law Sections 180.10, 180.25 and 20.00, and thereafter performed and attempted to perform an act to promote, manage, establish, carry on, and facilitate the promotion, management, establishment, and carrying on of such unlawful activity, to wit, McLAUGHLIN, together with others known and unknown, agreed that in exchange for causing members of the J Division to perform construction work for the Film Lab, at no

expense to the Film Lab, McLAUGHLIN would receive the benefit of payments on a loan to financed the purchase of a car, which payments were then sent through the mails, in violation of Title 18, United States Code, Section 1952.

257. The means and methods employed in conducting and participating in the conduct of the conspiracy, and the overt acts, among others, committed in furtherance of the conspiracy and to effect the illegal object thereof, were those alleged in paragraphs 154 through 157 in Count One above. Those allegations are re-alleged and incorporated by reference as though fully set forth herein.

(Title 18, United States Code, Section 371.)

COUNT THIRTY-EIGHT
Taft-Hartley Act Violation
(Payments From Company 5 And C5-P)

The Grand Jury further charges:

258. The allegations contained in paragraphs 159 through 162 in Count One above are re-alleged and incorporated as though fully set forth herein.

259. Between in or about September of 2001 and in or about September of 2005, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, together with others known and unknown unlawfully, willfully, and knowingly, being representatives of employees who were employed in an industry affecting commerce, and being officers and employees of

a labor organization which represented, sought to represent, and would admit to membership employees who were employed in an industry affecting commerce, did request, demand, receive, and accept, and agree to receive and accept, a payment, loan, and delivery of money and other things of a value exceeding $1,000, from persons acting in the interest of an employer of such employees, to wit, a series of payments that McLAUGHLIN received from Company 5 and C5-P, through the LLC and Officer 1, which payments consisted of a share of the sales commissions that Company 5 obtained from the corporation that owned the Manufacturer.

(Title 29, United States Code, Sections 186(a)(1), (a)(2), (b)(1), and (d)(2), and Title 18, United States Code, Section 2.)

COUNT THIRTY-NINE
Mail Fraud – Honest Services
(McLaughlin's Secret Interest In, And Receipt Of Proceeds From, Company 5)

The Grand Jury further charges:

260. The allegations contained in paragraphs 159 through 162 and 163.b in Count One above are re-alleged and incorporated as though fully set forth herein.

261. From at least in or about February of 1999, up to and including at least in or about September of 2005, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, together with others known and unknown, having devised and intending to devise a scheme and artifice to defraud, and to

deprive another of the intangible right to the honest services of McLAUGHLIN as the Business Representative for the J Division of Local 3 of the IBEW, and, for the purpose of executing such scheme and artifice and attempting to do so, unlawfully, willfully and knowingly did cause matters and things to be delivered by mail and private and commercial interstate carrier according to the directions thereon, to wit, payments mailed to Officer 1 and/or the LLC consisting of proceeds from Company 5, portions of which were then passed along to McLAUGHLIN.

(Title 18, United States Code, Sections 1341, 1346, and 2.)

COUNT FORTY
Conspiracy
(Company 5)

The Grand Jury further charges:

262. From at least in or about February of 1999, up to and including at least in or about September of 2005, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, and others known and unknown, unlawfully, willfully, and knowingly combined, conspired, confederated, and agreed together and with each other to commit an offense against the United States, to wit, violations of Sections 186(a)(1), (a)(2), (b)(1), and (d)(2) of Title 29, United States Code, and Sections 1341 and 1346 of Title 18, United States Code.

263. It was a part and an object of said conspiracy that BRIAN M. McLAUGHLIN, the defendant, and others known and unknown,

unlawfully, willfully, and knowingly, being representatives of employees who were employed in an industry affecting commerce, and being officers and employees of a labor organization which represented, sought to represent, and would admit to membership employees who were employed in an industry affecting commerce, did request, demand, receive, and accept, and agree to receive and accept, a payment, loan, and delivery of money and other things of a value exceeding $1,000, from persons acting in the interest of an employer of such employees, to wit, a series of payments that McLAUGHLIN received from Company 5 and C5-P, through the LLC and Officer 1, which payments consisted of a share of the sales commissions that Company 5 obtained from the corporation that owned the Manufacturer, in violation of Title 29, United States Code, Sections 186(a)(1), (a)(2), (b)(1), and (d)(2).

264. It was further a part and an object of said conspiracy that BRIAN M. McLAUGHLIN, the defendant, and others known and unknown, having devised and intending to devise a scheme and artifice to defraud, and to deprive another of the intangible right to the honest services of McLAUGHLIN as the Business Representative for the J Division of Local 3 of the IBEW, and, for the purpose of executing such scheme and artifice and attempting to do so, unlawfully, willfully and knowingly did cause matters and things to be delivered by mail and private and

commercial interstate carrier according to the directions thereon, to wit, payments mailed to Officer 1 and/or the LLC consisting of proceeds from Company 5, portions of which were then passed along to McLAUGHLIN, in violation of Title 18, United States Code, Sections 1341 and 1346.

265. The means and methods employed in conducting and participating in the conduct of the conspiracy, and the overt acts, among others, committed in furtherance of the conspiracy and to effect the illegal objects thereof, were those alleged in paragraphs 159 through 162 and 163.b in Count One above. Those allegations are re-alleged and incorporated by reference as though fully set forth herein.

(Title 18, United States Code, Section 371.)

COUNT FORTY-ONE
Mail Fraud – Honest Services
(Payments From Company 6)

The Grand Jury further charges:

266. The allegations contained in paragraphs 164 through 169 in Count One above are re-alleged and incorporated as though fully set forth herein.

267. From in or about October of 2001, up to and including at least in or about August of 2005, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, together with others known and unknown, having devised and intending to devise a scheme and artifice to defraud, and to

deprive another of the intangible right to the honest services of McLAUGHLIN as the Business Representative for the J Division of Local 3 of the IBEW, and, for the purpose of executing such scheme and artifice and attempting to do so, unlawfully, willfully and knowingly did cause matters and things to be delivered by mail and private and commercial interstate carrier according to the directions thereon, to wit, McLAUGHLIN secretly received proceeds from monthly payments in the amount of $2,500 from Company 6 that otherwise were intended for a J Division foreman, including in a check sent by overnight carrier on or about July 19, 2005.

(Title 18, United States Code, Sections 1341, 1346, and 2.)

COUNT FORTY-TWO
Conspiracy
(Payments From Company 6)

The Grand Jury further charges:

268. From in or about October of 2001, up to and including at least in or about August of 2005, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, and others known and unknown, unlawfully, willfully, and knowingly combined, conspired, confederated, and agreed together and with each other to commit an offense against the United States, to wit, violations of Sections 1341 and 1346 of Title 18, United States Code.

269. It was a part and an object of said conspiracy that BRIAN M. McLAUGHLIN, the defendant, and others known and unknown, having devised and intending to devise a scheme and artifice to defraud, and to deprive another of the intangible right to the honest services of McLAUGHLIN as the Business Representative for the J Division of Local 3 of the IBEW, and, for the purpose of executing such scheme and artifice and attempting to do so, unlawfully, willfully and knowingly did cause matters and things to be delivered by mail and private and commercial interstate carrier according to the directions thereon, to wit, McLAUGHLIN secretly received proceeds from monthly payments in the amount of $2,500 from Company 6 that otherwise were intended for a J Division foreman, including in a check sent by overnight carrier on or about July 19, 2005, in violation of Title 18, United States Code, Sections 1341 and 1346.

270. The means and methods employed in conducting and participating in the conduct of the conspiracy, and the overt acts, among others, committed in furtherance of the conspiracy and to effect the illegal object thereof, were those alleged in paragraphs 164 through 169 in Count One above. Those allegations are re-alleged and incorporated by reference as though fully set forth herein.

(Title 18, United States Code, Section 371.)

COUNTS FORTY-THREE and FORTY-FOUR
Bank Fraud And False Statements To A Lender
(McLaughlin's Application For A Mortgage Loan)

The Grand Jury further charges:

271. Beginning in or about January of 2003, McLAUGHLIN applied for a mortgage loan from a federally insured financial institution (the "Mortgage Corporation") in order to finance the purchase of the Nissequogue Residence. In his efforts to secure this loan, McLAUGHLIN was represented by a mortgage broker (the "Broker").

272. In the initial application for this loan, which McLAUGHLIN submitted or caused the Broker to submit on his behalf, McLAUGHLIN represented that the sale of his existing residence in Queens was pending.

273. In evaluating McLAUGHLIN's loan application, the Mortgage Corporation determined that McLAUGHLIN would only qualify for the loan he was seeking if the sale of his existing residence were completed. If, on the other hand, McLAUGHLIN did not sell his home in Queens, and if, as a result, he remained obligated to make mortgage payments for that home, his financial assets would not be sufficient, in comparison to his financial liabilities, to satisfy the eligibility criteria that the Mortgage Company used to evaluate applications for the type of loan that McLAUGHLIN was seeking.

274. The closing transactions for McLAUGHLIN's purchase of the Nissequogue Residence were scheduled to take place in or about April of 2003. In the period leading up the closing, McLAUGHLIN did not complete the sale of his existing home.

275. In or about early April of 2003, McLAUGHLIN submitted or caused the Broker to submit a revised loan application. That application indicated that McLAUGHLIN was not selling his home in Queens but was instead renting the home for an amount that exceeded the mortgage payments that he owed for that residence. In order to provide the Mortgage Corporation with evidence to confirm the truthfulness of that representation, McLAUGHLIN submitted, or caused the Broker to submit, lease documents purporting to show, among other things, (1) that beginning in April of 2003, the individual referred to above as Officer 1 was a tenant at McLAUGHLIN's home in Queens and had agreed to rent that home for a one-year period, and (2) that during the year prior to April of 2003, Officer 1 had been a tenant at a residence located on the same street. In fact, however, Officer 1 never rented or agreed to rent McLAUGHLIN's home, or any other home in that vicinity.

276. In or about April of 2003, based, in part, on the representations contained in McLAUGHLIN's revised loan application and the documents submitted in support of that

application, the Mortgage Corporation extended a mortgage loan to McLAUGHLIN in the amount of approximately $500,000.

COUNT FORTY-THREE
(Bank Fraud)

277. The allegations contained in paragraphs 271 through 276 above are re-alleged and incorporated as though fully set forth herein.

278. In or about April of 2003, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant, unlawfully, willfully and knowingly executed and attempted to execute a scheme and artifice to defraud a financial institution, and to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the control of, a financial institution, by means of false pretenses, representations and false promises, to wit, in seeking to obtain a mortgage loan, McLAUGHLIN caused false representations to be made, and false documents to be submitted, to the Mortgage Corporation indicating that he was renting his existing home to an individual referred to in this Indictment as Officer 1.

(Title 18, United States Code, Sections 1344 and 2.)

COUNT FORTY-FOUR
(False Statements In A Loan Application)

279. The allegations contained in paragraphs 271 through 276 above are re-alleged and incorporated as though fully set forth herein.

280. In or about April of 2003, in the Southern District of New York and elsewhere, BRIAN M. McLAUGHLIN, the defendant unlawfully, willfully and knowingly made a false statement and report for the purpose of influencing in some way the action of an institution, the accounts of which were insured by the Federal Deposit Insurance Corporation, upon an application and a loan, to wit, for the purpose of influencing the Mortgage Corporation in its evaluation of his loan application, McLAUGHLIN caused false representations to be made, and false documents to be submitted, to the Mortgage Corporation indicating that he was renting his existing home to an individual referred to in this Indictment as Officer 1.

(Title 18, United States Code, Sections 1014 and 2).

FIRST FORFEITURE ALLEGATION (RICO)

281. The allegations contained in Counts One and Two of this Indictment are hereby repeated, realleged, and incorporated by reference herein as though fully set forth at length for the purpose of alleging forfeiture pursuant to the provisions of Title 18, United States Code, Section 1963. Pursuant to Rule 32.2, Fed. R. Crim. P., notice is hereby given to the defendant that the United States will seek forfeiture as part of any sentence in accordance with Title 18, United States Code, Section 1963 in the event of the defendant’s conviction under Counts One and/or Two of this Indictment.

282. The defendant, BRIAN M. McLAUGHLIN,

a. has acquired and maintained interests in violation of Title 18, United States Code, Section 1962, which interests are subject to forfeiture to the United States pursuant to Title 18, United States Code, Section 1963(a)(1);

b. has property and contractual rights affording a source of influence over an enterprise which he has operated, controlled, conducted, and participated in the conduct of, in violation of Title 18, United States Code, Section 1962, which property and rights are subject to forfeiture to the United States pursuant to Title 18, United States Code, Section 1963(a)(2); and

c. has property constituting and derived from proceeds obtained, directly, and indirectly, from the aforesaid racketeering activity, in violation of Title 18, United States Code, Section 1962, which property is subject to forfeiture to the United States pursuant to Title 18, United States Code, Section 1963(a)(3).

283. The interests of the defendant subject to forfeiture to the United States pursuant to Title 18, United States Code, Sections 1963(a)(1), (a)(2), and (a)(3), include but are not limited to:

a. at least $2.2 million;

b. any and all right, title, and interest in the real property and appurtenances, improvements, fixtures, attachments, and easements known as 1 Hawks Nest, Nissequogue, New York;

c. any and all right title and interest in one 2002 Mercedes-Benz automobile, VIN# WDBNG70J42A291939; and

d. any office or employment with, and any other forfeitable benefit derived from, the New York City Central Labor Council, AFL-CIO.

Substitute Assets

284. If any of the property described above as being subject to forfeiture, as a result of any act or omission of the defendant –

a. cannot be located upon the exercise of due diligence;

b. has been transferred or sold to, or deposited with, a third party;

c. has been placed beyond the jurisdiction of the court;

d. has been substantially diminished in value; or

e. has been commingled with other property which cannot be divided without difficulty;

it is the intention of the United States, pursuant to Title 18, United States Code, Section 1963(m), to seek forfeiture of any

other property of the defendant up to the value of the forfeitable property, including but not limited to:

f. any and all right, title, and interest in the real property and appurtenances known as 1 Hawks Nest, Nissequogue, New York.

(Title 18, United States Code, Section 1963.)

SECOND FORFEITURE ALLEGATION (NON-RICO)

285. As a result of committing one or more of the foregoing fraud, money laundering, labor organization, racketeering, and conspiracy offenses, in violation of Title 18, United States Code, Sections 1014, 1341, 1343, 1344, 1346, 1952, 1956 and 371, and Title 29, United States Code, Sections 186 and 501, as alleged in Counts Three through Forty-Four of this Indictment, defendant BRIAN M. McLAUGHLIN, shall forfeit to the United States pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461, all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of such offenses, including but not limited to the following:

a. at least $2.2 million, in that such sum in aggregate is property representing the amount of proceeds obtained as a result of the offenses alleged in Counts Three through Forty-Four of this Indictment;

b. any and all right, title, and interest in the real property and appurtenances, improvements, fixtures, attachments, and easements known as 1 Hawks Nest, Nissequogue, New York; and

c. any and all right title and interest in one 2002 Mercedes-Benz automobile, VIN# WDBNG70J42A291939.

286. As a result of committing one or more of the foregoing bank fraud and money laundering offenses, in violation of Title 18, United States Code, Sections 1014, 1344, and 1956, alleged in Counts Eleven through Thirteen, Forty-Three, and Forty-Four of this Indictment, defendant BRIAN M. McLAUGHLIN shall forfeit to the United States pursuant to Title 18, United States Code, Section 982, all property, real and personal, involved in such bank fraud and money laundering offenses and all property traceable to such property, including but not limited to the following:

a. a sum of money equal to at least $650,000 in United States currency, in that such sum in aggregate is property which was involved in the bank fraud and money laundering offenses or is traceable to such property;

b. any and all right, title, and interest in the real property and appurtenances, improvements, fixtures, attachments, and easements known as 1 Hawks Nest, Nissequogue, New York; and

c. any and all right title and interest in one Mercedes-Benz automobile, VIN# WDBNG70J42A291939.

Substitute Assets

287. If any of the property described above as being subject to forfeiture, as a result of any act or omission of the defendant –

a. cannot be located upon the exercise of due diligence;

b. has been transferred or sold to, or deposited with, a third party;

c. has been placed beyond the jurisdiction of the court;

d. has been substantially diminished in value; or

e. has been commingled with other property which cannot be divided without difficulty;

it is the intention of the United States, pursuant to Title 18, United States Code, Section 982(b) and Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of said defendant up to the value of the forfeitable property.

(Title 18, United States Code, Sections 981 and 982;
Title 21, United States Code, Section 853; and
Title 28, United States Code, Section 2461.)

_____
FOREPERSON

_____
MICHAEL J. GARCIA
United States Attorney